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Banking, Finance & Economy PDF 2021 - May

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Banking, Finance & Economy News: May 2021

RBI IN NEWS

RBI Became a member of Network for Greening the Financial System

Reserve Bank of India **(RBI)** joined as a member of Central Banks and Supervisors' Network for Greening the Financial System (**NGFS**).

Important points about NGFS:

- It was launched at the **Paris One Planet Summit** on December 12, 2017 and RBI became a member of it in April 23,2021.
- NGFS consists of a group of central banks and supervisors willing, on a voluntary basis, they will share best practices and experiences for the development of environment and climate risk management in the financial sector.
- The central Banks will organize the finance to support the transition towards a sustainable economy. RBI as a member, will contribute to global efforts on green finance and climate change

Work Streams of NGFS:

It has structured **5 work streams** to achieve its work program they are as follows

- Workstream on "Microprudential/Supervision" – chaired by Mr Zeng Yi Wong (Monetary Authority of Singapore)
- Workstream on "Macrofinancial" – chaired by Ms Sarah Breeden (Bank of England)
- Workstream on "Scaling up green finance" – chaired by Ms Sabine Mauderer (Deutsche Bundesbank)
- Workstream on "Bridging the data gaps" – chaired by Mr Patrick Amis (European Central Bank) and Mr Fabio Natalucci (International Monetary Fund)
- Workstream on "Research" – chaired by Mr Ma Jun (People's Bank of China)

About Network for Greening the Financial System (NGFS):

Establishment – December 2017
Headquarters – Paris, France
Members – 90 members and 13 observers.
Chair – Frank Elderson (Dutch central banker)

RBI Imposed Monetary Penalty of Rs 3 crore on ICICI Bank for Contravention of Rules

On May 03,2021, The Reserve Bank of India (**RBI**) imposed a **Rs 3 crore** monetary penalty on **ICICI Bank** for contravention of certain directions issued by the RBI on '**Prudential Norms** for Classification, Valuation and Operation of Investment Portfolio by Banks in July 2015.

i.Cause for the Penalty: For shifting of securities in May 2017 from HTM (held to maturity) category to AFS (available for sale) without explicit permission.

ii.The penalty is intended only over the ICICI bank's insufficiency in regulatory compliance and not over any agreement by the bank with its customers.

iii.Under the provisions of **section 47** A (1) (c) read with section 46 (4) (i) of the Banking Regulation Act, 1949 (the Act), RBI was vested with the power to impose penalty.

RBI's Comprehensive Credit Support Measures Against the Second wave of COVID-19

On May 05, 2021, the Reserve Bank of India(**RBI**) announced a series of measures and Comprehensive strategies to support all stakeholders from the second wave of **COVID-19** led economic difficulties.

Measures undertaken by RBI against the pandemic:

-Term Liquidity Facility of ₹50,000 crores to Ease Access to Emergency Health Services

i.RBI announced an on-tap liquidity window of **Rs 50,000 crore** with **3 years** of maturity and at repo rate till March 31, 2022(End of FY22) under the priority sector lending classification.

ii. Banks could lend under this scheme for vaccine manufacturers; importers of vaccines and COVID related drugs manufacturers and suppliers of oxygen and ventilators; patients for treatment etc.

iii. To deliver loans to borrowers under this scheme banks will create a COVID-19 loan book and park their surplus liquidity in the book with the RBI under the reverse repo window at a rate that is 25 bps lower than the repo rate or, 40 bps higher than the reverse repo rate.

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-Classification of SFB loan to MFIs for on-lending as PSL

RBI permitted the Small Finance Banks' (SFBs) lending to Micro-Finance Institutions (MFIs) for on-lending to individuals under the classification of priority sector lending (PSL) for which the MFIs need to have **Rs 500 crore** asset size (Currently, the SFB's PSL is not permitted for MFIs for on-lending).

- This facility is made to be available up to March 31, 2022.

-Special Long-Term Repo Operations (SLTRO) for SFBs

To support small business, Micro, Small & Medium Enterprises (MSME), and unorganised sectors RBI introduced special three-year long-term repo operations (**SLTRO**) of **Rs 10,000 crore** at a repo rate for the SFBs.

- SFBs could lend up to **Rs 10 lakh** per borrower till October 31, 2021.

-Resolution Framework 2.0 for COVID Related Stressed Assets of Individuals, Small Businesses and MSMEs

RBI allowed banks and non-banks to extend the restructuring loan benefits to individual customers, small businesses, and MSMEs through Resolution Framework 2.0.

- The loans could be availed (by those who availed and not availed re-structuring 1.0) for loan exposure up to **Rs 25 crore**.
- The loans which are classified as Standard (on March 31, 2021) are allowed to extend up to September 30, 2021.
- Moratorium (for loans under Resolution Framework 1.0) extended up to a total of 2 years from less than 2 years.

-Rationalisation of Compliance to KYC Norms

In order to enhance customer convenience, RBI rationalised certain components of the extant KYC norms.

i.Extension of V-CIP: The scope of video KYC i.e. V-CIP – (video-based customer identification process) was extended for new categories of customers such as proprietorship firms, authorised signatories and beneficial owners of Legal Entities.

ii.Conversion: Allowed the conversion of limited KYC accounts into fully KYC-compliant accounts (For accounts that are opened on the basis of Aadhaar e-KYC authentication in non-face-to-face mode).

iii. Enabled the use of KYC Identifier of Centralised KYC Registry (CKYCR) for V-CIP.

iv. Introduced the use of digital channels for the purpose of periodic updating of KYC details of customers.

About KYC: It is a process under which banks gather their customers' information while opening an account. It has to be updated at least once every 2 years (For high-risk customers), 8 years (Medium risk) and 10 years(Low-risk).

- Now due to COVID-19, the pending periodic updation of KYC was provided with a time extension till 31 December 2021.

-RBI allowed the utilisation of 100% floating provisions for non-performing assets

Banks are allowed by RBI to utilise **100 percent** floating provisions/counter-cyclical provisioning buffer held by them as of December 31, 2020, for making specific provisions for non-performing assets (with prior approval of their Boards). The utilisation is allowed up to March 31, 2022.

What is Floating provisions/counter-cyclical provisioning?

It refers to the specific amount that banks need to set aside in **good times** above the mandatory provisioning requirement as prescribed by RBI and these will be used only in contingencies or extraordinary times of economic or system-wide downturns. Banks have started building such reserves **since 2010**.

-RBI Increased State Governments' OD Facility Tenor to 50 days

To support State Governments to manage their fiscal situation, RBI has increased the maximum number of days of the OverDraft (OD) facility in a quarter from **36 to 50 days** and the number of consecutive days of OD from **14 to 21 days**.

- Availability – up to September 30, 2021
- Note – The Ways and Means Advance (WMA) limits of states have already been enhanced on April 23, 2021. Click here to know more

-Credit flow to MSME Entrepreneurs

In February 2021 Scheduled Commercial Banks were allowed to deduct credit disbursed to new MSME borrowers from their net demand and time liabilities (NDTL) for calculation of the cash reserve ratio (CRR) to incentivise the credit flow of MSME borrowers.

- Now the exemption is extended till December 31, 2021.
- Note – This exemption is available for loans up to **Rs 25 lakh** and credit disbursed up to the fortnight ending October 1, 2021.

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-RBI Announced 2nd G-Sec Purchase under G-SAP 1.0 for Rs 35,000 crore; G-sec Yields Softens

RBI announced the second government securities(G-sec) purchase under G-SAP 1.0 for an amount of Rs.32,000 crore on May 20, 2021. This purchase announcement leads the yield on the benchmark 10-year bond to fell below the crucial 6 percent mark.

- The first purchase of Rs.25,000 crore was held on April 15, 2021, under G-SAP 1.0 and it has contributed to softening of G-sec yields which in turn contributes to the softening of the corporate bond yields and the private sector borrowing in the market. **Click here to know more.**
- Under the liquidity adjustment facility (LAF), the average daily net liquidity absorption was at Rs 5.8 lakh crore in April 2021.
- Currently, RBI is focusing on channelising its liquidity operations to support growth at the grass-root level.

RBI set up Advisory Group Under S Janakiraman to Assist RRA 2.0

The Reserve Bank of India's (**RBI**) Regulations Review Authority (**RRA 2.0**) has constituted a **6-member** Advisory Group headed by **S Janakiraman**, Managing Director of State Bank of India to support in reviewing the RBI's regulations and compliance procedures to streamline/ rationalise them to make them more effective.

About the Advisory Group in Brief:

Other members of the Advisory Group:

i.TT Srinivasaraghavan – Former MD and Non-Executive Director, Sundaram Finance
ii. Gautam Thakur -Chairman, Saraswat Co-operative Bank
iii. Subir Saha – Group Chief Compliance Officer, ICICI Bank
iv. Ravi Duvvuru, President and CCO, Jana Small Finance Bank
v.Abadaan Viccaji, Chief Compliance Officer, HSBC India.

Background:

On April 15, 2021, RBI formed the RRA 2.0 for a period of 1 year from May 01, 2021, to Streamline RBI's Regulations and Reduce Compliance. M. Rajeshwar Rao, Deputy Governor, RBI was the RRA. Click here to know more

- The RRA will examine and suggest the changes required in the dissemination process of RBI circulars/ instructions. (Now, the Advisory Group will support RRA to make effective suggestions)
- In 1999, the RBI had set up a Regulations Review Authority (RRA) for reviewing the regulations, circulars, reporting systems, based on the feedback from the public, banks, and financial institutions.

Functions of the Advisory Group:

i.It will submit reports periodically to RRA containing the recommendations/suggestions regarding the rationalisation of certain areas/ regulations/ guidelines/ returns.
ii. It has decided to gather feedback and suggestions from all regulated entities, industry bodies and other stakeholders.
iii. Suggestions and feedback are stated to be e-mailed to the Group by June 15, 2021.

RBI conducted the simultaneous sale, purchase of G-Secs for FY22:

RBI conducted the Simultaneous purchase and sale of government securities(**G-Sec**) (Operation Twist) each worth **Rs 10,000 crore** under open market operations (**OMOs**) in May 2021.

Note – Operation Twist – It is RBI's simultaneous selling of short-term securities and buying of long term securities through open market operations (OMO).

- RBI accepted offers aggregating Rs 10,000 crores only for the benchmark **2030 G-Sec** with a coupon rate of 5.85 percent. It set the cut-off price for the purchase of the 2030 G-Sec at Rs 99.10.
- It received bids aggregating Rs 36,471 crore at the sale of two- 182-day Treasury Bills under Operation Twist against the notified amount of ₹10,000 crores.

About Reserve Bank of India(RBI):

- ✓ It was established on the recommendation of the Hilton Young Commission
- ✓ The First Governor of RBI was Sir Osborne Smith (1935 – 1937)
- ✓ The First Indian Governor of RBI was CD Deshmukh (1943 – 1949)
- ✓ Dr. Manmohan Singh is the only Prime Minister to have also served as the Governor of RBI ((1982 – 1985)
- ✓ The First women deputy Governor of RBI was KJ Udeshi

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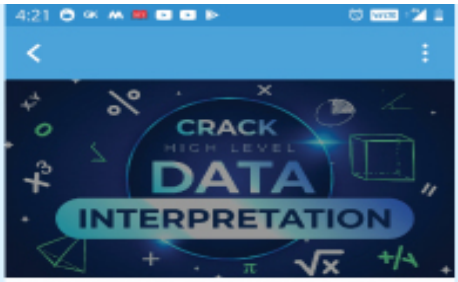

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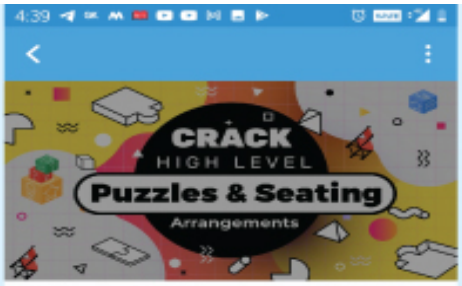
- Memory Based Question
  - SBI PO
  - IBPS PO
  - IBPS Clerk
- Percentage
  - PO Mains Level
    - DI: Percentage - PO - Hard - M237 — Quiz (5 question) RESULT
    - DI: Percentage - PO - Moderate - M176 — Quiz (5 question) START
  - Clerk Mains Level
    - DI: Percentage - Clerk - Moderate - M366 — Quiz (5 question) START
    - DI: Percentage - Clerk - Moderate - M118 — Quiz (5 question) RESUME
- Percentage & Ratio-Proportion
- Percentage & Time,Speed,Distance
- Percentage & Average
- Ratio-Proportion
- Ratio-Proportion and Mixture & Alligation
- Arithmetic
- Average
- Profit & Loss



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Paths Quizzes Details

- Memory Based Question
  - SBI PO
  - IBPS PO
  - IBPS Clerk
- Puzzles
  - Tabular Puzzles
    - PO Mains Level
      - Puzzle: Tabular - PO - Easy - R109 — Quiz (5 question) START
    - Clerk Mains Level
      - Puzzle: Tabular - Clerk - Moderate - R130 — Quiz (5 question) START
  - Floor Puzzle
  - Floor with Flat Puzzle
  - Quantity Puzzle
  - Shifting/Matrix Puzzle
  - Memory Based Question
- Seating Arrangement
  - Linear Seating
  - Circular Seating
  - Parallel Row Seating
  - Square Seating

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RBI Revised the Guidelines for Private Banks to Undertake Govt Business; Amended the Master Direction on KYC

On May 10, 2021, The Reserve Bank of India (RBI), revised the existing guidelines on **"Appointment of Scheduled Private Sector Banks as Agency Banks of RBI"** for authorising **Scheduled Private Sector Banks** as agency banks of RBI for conducting **government business** (Central and/or State).

Note – In February 2021, the Finance Ministry had removed the embargo (an official ban) imposed in September 2012 on the allocation of government business to private sector banks.

About the revised guidelines:

i.For existing Private Sector Agency Banks:

- The Private Sector Agency Banks which already **have agency banking agreements** with RBI were authorized to continue the government agency business for Central and/or State Governments without taking any fresh approval from RBI.
- ***Note*** – If need to undertake fresh/additional government agency business, they have to obtain approval from – O/o (Office of) Controller General of Accounts (**CGA**) (for Central Government) or the **Finance Department** of the State Government (for State Government) and Department of Government and Bank Accounts, Central Office, Mumbai (**DGBA, CO**).

ii.For Private Sector Banks that without Agency Banking agreement with RBI:

- If the Scheduled private sector banks (which is not having agency agreement with RBI) wish to undertake government business, it will be approved by RBI only if it is not under the **Prompt Corrective Action (PCA)** framework of the RBI.

Eligible transactions undertaken Agency Banks:

Transactions relating to government business undertaken by agency banks that are revenue receipts and payments on behalf of the Central/State Government; pension payments in respect of Central / State Governments; Special Deposit Scheme (SDS) 1975.

- Other transactions that are eligible for agency commission are: Public Provident Fund (PPF) Scheme, 1968; Senior Citizen Savings Scheme (SCSS), 2004; Kisan Vikas Patra (KVP), 2014 and Sukanya Samriddhi Account (SSA).

About the Approval:

Once RBI authorises a bank for any Government business, the approval regarding the mode (physical or e-mode) and area of operations will be decided by the O/o CGA or the Finance Department of the State Government (keeping RBI informed).

Note – Central Government Departments /State Governments have the option to accredit an agency bank and discontinue the bank from agency business.

-RBI Amended the Master Direction on KYC

RBI Amended the Master Direction on know your customer(**KYC**) to further leverage the Video-based Customer Identification Process (**V-CIP**) and simplify the process of periodic updating of KYC.

About the Amendments in Brief:

Amended Definition of V-CIP (Clause (xx) of Section 3):

V-CIP is an alternate method of customer identification with facial recognition and customer due diligence by an authorised official of the regulated entity (**RE**) by undertaking seamless, secure, live, informed-consent based audio-visual interaction with the customer to obtain identification information required for Customer Due Diligence (**CDD**) purpose.

Note – RBI regulated entities (REs), include banks, Non-Banking Finance Companies(NBFCs), and payment system operators.

Amendment over the Clause (v) of Section 17:

Both the deposit and borrower accounts that are opened using OTP based e-KYC, will not be allowed for more than **1 year** without identification.

Amendment over Section 18 on V-CIP:

Under this, REs are **allowed to undertake V-CIP** for the following conditions:

i.To carry out CDD for,

- Individual customers – in case of new customer onboarding
- Proprietor – in case of proprietorship firm
- Authorised signatories and Beneficial Owners (BOs)- in case of Legal Entity (LE) customers.

ii. For converting existing accounts opened in non-face to face mode using Aadhaar OTP based e-KYC authentication.

iii. For Updation/Periodic updation of KYC for eligible customers.

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RBI has specified certain standards for REs which are opting to undertake V-CIP:

i.V-CIP Infrastructure:

- REs should comply with the – RBI guidelines on minimum baseline cybersecurity and resilience framework for banks.
- The V-CIP connection and interaction should originate from its own secured network domain and the technology infrastructure should be housed in the own premises of the RE.
- The V-CIP infrastructure/application should able to prevent the connection from IP addresses outside India or from spoofed IP addresses.
- End-to-end encryption of data between the customer device and the hosting point of the V-CIP application should be ensured.

ii.V-CIP Procedure:

While performing the V-CIP the RE official should record audio-video and capture photographs of the customer for identification

The identification information could be obtained using any one of the following:

- OTP based Aadhaar e-KYC authentication
- Offline Verification of Aadhaar
- KYC records downloaded from CKYCR
- Equivalent e-document of Officially Valid Documents (OVDs) including documents issued through DigiLocker

RBI Extended Restrictions on Millath Co-operative Bank to August 7, 2021

Under Section 35A read with Section 56 of the Banking Regulation Act, 1949, the Reserve Bank of India(**RBI**), extended the restriction on Karnataka-based **Millath Co-operative Bank**, for 3 months i.e up to **August 7, 2021**.

Background:

Initially, RBI issued the restrictions (All-inclusive directions Under Section 35A) on the bank on April 26, 2019, and have been extended thereafter. It was last extended till May 7, 2021.

Restrictions:

i.Without prior approval of RBI, the bank was not allowed to make any investment, renewing of loans and advances, accepting of fresh deposits, borrowing of funds, and dispose of any of its properties or assets.

ii.A withdrawal of sum not exceeding Rs 1000 of the total balance, in current account/ other deposit account was allowed with conditions.

Central Govt in consultation with RBI issued Sovereign Gold Bonds Scheme FY22

The Government of India(GoI), in consultation with the Reserve Bank of India, has decided to issue **Sovereign Gold Bonds for FY22**. The Sovereign Gold Bonds will be issued in **6 tranches** from **May 2021 to September 2021**.

Channels that sell bonds:

i.The Bonds will be sold through Scheduled Commercial banks (except Small Finance Banks and Payment Banks), Stock Holding Corporation of India Limited (SHCIL), designated post offices.

ii. It will also be sold through recognised stock exchanges viz., National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

iii.Payment Options – Payment for gold bonds could be made through cash (**upto ₹ 20000**)/cheques/demand draft/electronic fund transfer.

About Sovereign Gold Bond FY22:

Item	Details
Issuance	**Issued by RBI on behalf of the Government of India**
Eligibility	Restricted for sale to resident individuals, Hindu Undivided Family (HUFs), Trusts, Universities, and Charitable Institutions
Denomination	Denominated in multiples of gram(s) of gold with a basic unit of 1 gram
Tenor	**8 years with exit option after 5th year (to be exercised on the next interest payment dates)**
Minimum permissible investment	1 gram of gold
Maximum limit	**4 KG – individual, HUF and 20 Kg – trusts and similar entities for an FY(April-March)**

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	Note – For joint holding, the investment limit of 4 KG will be applied to the first applicant only
Issue price	It will be fixed in Indian Rupees based on a simple average of the closing price of gold of 999 purity, published by the India Bullion and Jewellers Association Limited (IBJA Ltd) for the last 3 working days of the week preceding the subscription period. (The issue price of the Gold Bonds will be `50 per gram less for those who subscribe online and pay through digital mode)
Redemption price	It will be in Indian Rupees based on a simple average of the closing price of gold of 999 purity, of previous 3 working days published by IBJA Ltd
Interest rate	The investors will be compensated at a fixed rate of 2.50 percent per annum, payable semi-annually on the nominal value
Collateral	Bonds can be used as collateral for loans
Tradability	Bonds will be tradable on stock exchanges within a fortnight of the issuance on a date as notified by the RBI

About Sovereign gold bonds:

i.They are the government securities denominated in grams of gold and they are issued by the RBI on behalf of the government.

ii. To reduce the demand for physical gold, the sovereign gold bond scheme was launched in November 2015.

iii. To buy the gold bonds, the investors have to pay the **issue price** in cash and the bonds will be redeemed in cash on maturity.

iv.Advantage: Sovereign gold bonds are one of the better ways of investing in gold as along with capital appreciation the investors will get a fixed rate of interest.

v.Disadvantage: It is a long term investment, unlike physical gold which can be sold immediately.

RBI Cancelled the Licence of United Co-operative Bank

The Reserve Bank of India (**RBI**) has cancelled the license of **United Co-operative Bank Ltd.,** Bagnan, West Bengal in May 2021, as the bank does not have adequate capital and earning prospects to pay its present depositors in full.

- The bank also does not comply with the provisions of section 11(1) and section 22 (3) (d) read with **section 56** of the **Banking Regulation Act, 1949**.
- The bank has failed to comply with the requirements of section 22 (3) (a), 22 (3) (b), 22 (3) (c), 22 (3) (d) and 22 (3) (e) read with section 56 of the Banking Regulation Act, 1949.
- Following the cancellation of the licence, the bank is prohibited from conducting the 'banking' business (including acceptance of deposits and repayment of deposits) (From May 13, 2021) as defined in Section 56 of the Banking Regulation Act, 1949.

Paying back the depositors (Under DICGC Act, 1961):

i.All the depositors of the United Co-operative Bank Ltd. will receive the full amounts of their deposits from Deposit Insurance and Credit Guarantee Corporation (**DICGC**).

ii. After Liquidation, every depositor would receive a deposit insurance claim amount of his/her deposits up to a monetary ceiling of **Rs 5 lakh** from the DICGC (as per the provisions of the DICGC Act, 1961).

What is Liquidation?

It is the process of converting a company's assets into cash and using those funds to repay, the company's debts as much as possible.

About Reserve Bank of India(RBI):

- RBI was established in 1935 and nationalised in 1949
- The 1st headquarters of RBI was located in Kolkata
- The cash reserve Ratio (CRR) is the amount of funds that the banks have to keep with the RBI
- Reverse Repo rate is the rate at which the RBI borrows money from commercial banks
- Repo rate is the rate at which the RBI lends money to commercial banks.

RBI Excluded Lakshmi Vilas Bank from the Second Schedule of the RBI Act

Reserve Bank of India(**RBI**) has excluded **Lakshmi Vilas Bank Ltd.**(LVB) from the **Second Schedule of the RBI Act, 1934** after it was merged with DBS Bank India Ltd (DBIL) in 2020.

Background:

i.On November 17, 2020, the Government(Govt) (on the advice of RBI), imposed a 30-day moratorium for LVB with restricted cash withdrawal at Rs 25,000 per depositor.

ii.RBI appointed the former non-executive chairman of Canara Bank, **T N Manoharan** as an administrator of LVB for those 30 days.
iii. On November 27, 2020, Govt allowed the merging of LVB (bank under crisis) with **DBS Bank India Ltd.** (under Section 45 of the Banking Regulation Act, 1949), and removed the restrictions imposed over LVB. On the same day, it was excluded from the Second Schedule of the RBI Act, 1934.

About Second Schedule of RBI Act:

i.All banks which are included in the Second Schedule to the Reserve Bank of India Act, 1934 are Scheduled Banks. It includes Scheduled Commercial Banks and Scheduled Co-operative Banks.
ii.Paid-up Capital requirement: Commercial banks with paid-up capital and reserves not less than **Rs.5 lakhs** are eligible for inclusion under the Second Schedule of RBI Act 1934.
Note – In 2020, LVB became the second private sector bank under moratorium after Yes Bank which was rescued by Govt through State Bank of India's Rs 7,250 crore capital infusion and 45 percent stake acquisition from the bank.

RBI Mandated PPIs Interoperability by March 2022; Increased the Limit from Rs 1 lakh to Rs 2 lakhs for Full-KYC PPIs

On May 19, 2021, Under Section 18 read with Section 10(2) of the Payment and Settlement Systems Act, 2007, The Reserve Bank of India (RBI) has mandated that all prepaid payment instruments (PPIs) or mobile wallets such as Paytm, PhonePe and Mobikwik that are fully KYC-compliant be made interoperable by March 31, 2022.

Background:

Under the Bi-monthly monetary policy in April 2021, to incentivise the migration of PPIs to full-KYC, the RBI proposed the following measures.

- Proposed to make interoperability mandatory for full-KYC PPIs
- To increase the limit of outstanding balance PPIs from Rs 1 lakh to Rs 2 lakh
- Proposed to allow the facility of cash withdrawal for full-KYC PPIs of non-bank PPI issuers (subject to a limit).

About RBI's Regulations over PPIs in brief:

a.Mandating Interoperability by March 31, 2022:

i.RBI made it mandatory for PPI issuers to give the holders of full-KYC PPIs (KYC-compliant PPIs) interoperability through authorised card networks (for PPIs in the form of cards) and Unified Payments Interface (UPI) (for PPIs in the form of electronic wallets). Interoperability on the acceptance side also became mandatory.
ii.RBI stated the interoperability amongst PPIs issued by banks and non-banks to be enabled by **March 31, 2022**(within FY22).
iii.RBI has made PPIs for Mass Transit Systems (PPI-MTS) remain exempted from interoperability and gave the option for Gift PPI issuers to offer interoperability.

b.Increasing the Limit to ₹2 lakh for Full-KYC PPIs

The maximum amount outstanding in full-KYC PPIs (KYC-compliant PPIs) has been increased from **Rs 1 lakh to Rs 2 lakhs** by RBI.

c.Permitting Cash Withdrawal from Full-KYC PPIs of Non-Bank PPI Issuers

i.RBI permitted Cash withdrawal from full-KYC PPIs issued by non-bank PPI issuers with a Maximum limit of **Rs 2,000** per transaction with an overall limit of **Rs 10,000 per month** per PPI.
ii. All cash withdrawal transactions performed using a card/wallet, should be authenticated by an Additional Factor of Authentication (AFA) / PIN.
iii. To reduce the risk of fraudulent use of PPIs, the PPI issuers shall place suitable cooling periods for cash withdrawal (opening the PPIs or loading/re-loading funds into PPIs).
iv. Proper customer redressal mechanisms should be placed by any PPI issuer who offering this facility.
Note – Currently, the cash withdrawal is allowed only for full-KYC PPIs issued by banks, such as debit and credit cards. Now with these new measures, even a payments wallet or a prepaid card can be used to withdraw cash at ATMs, micro-ATMs and eligible Point of Sale (PoS) terminals.

About Prepaid Payment Instruments (PPIs):

PPIs are payment instruments that facilitate the purchase of goods and services, including financial services, remittance facilities, etc., against the value stored on such instruments.
PPIs are classified into **3 types** such as,

- Closed System PPIs
- Semi-closed System PPIs, and
- Open System PPIs.

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RBI Board Approved Transfer of Rs 99,122 crore as Surplus to Govt

On May 21, 2021, the board of Reserve Bank of India(**RBI**) approved the transfer of **Rs 99,122 crore** as **surplus** to the Central **government** for the accounting period of **9 months** from **July 2020 to March 2021** under the 589th virtual meeting of the Central Board of Directors of the RBI.

- The current surplus fund transfer is **50 percent** higher than Rs 57,128 crore, the transfer approved in the accounting year 2019-2020.
- The board also decided to maintain the Contingency Risk Buffer at **5.50%** in line with recommendations of the Bimal Jalan Committee report.
- The meeting was held under the chairmanship of **Shaktikanta Das**, RBI governor.

Other members of the meeting:

i.Deputy Governors – Mahesh Kumar Jain, Michael Debabrata Patra, M. Rajeshwar Rao, T. Rabi Sankar
ii.Other Directors of the Central Board – N. Chandrasekaran, Satish K. Marathe, S. Gurumurthy, Revathy Iyer and Prof. Sachin Chaturvedi
iii. Secretary, Department of Financial Services – Debasish Panda
iv. Secretary, Department of Economic Affairs also attended the meeting – Ajay Seth

Review under the meeting:

i.The Board discussed the RBI's work during the transition period of 9 months (July 2020-March 2021) and approved the Annual report and accounts of the RBI for the same period.
ii. The current economic situation of India, prevailing domestic and global challenges, and recent policy measures that are taken by the RBI to reduce the impact of the second wave of COVID-19 over the economy were also reviewed under the meeting.

RBI's Accounting year:

i.The annual report of the RBI is the statement on the state of the economy and the balance sheet of the RBI by its Board of Directors for an accounting year of RBI
ii. Now, the accounting year of RBI is reduced to 9 months – **July 2020 to March 2021** as RBI has aligned its July-June accounting year with the government's April-March fiscal year.

RBI Imposed Monetary Penalty of Rs 1 Crore on City Union Bank Limited, Tamilnad Mercantile Bank

Reserve Bank of India (**RBI**) has imposed a monetary **penalty** of **Rs 1 crore** on **City Union Bank Limited** and **Tamilnad Mercantile Bank** for non-compliance with certain provisions of RBI such as – Lending to Micro, Small & Medium Enterprises (MSME) Sector Directions, 2017, the circulars on Educational Loan Scheme and Credit Flow to Agriculture Agricultural Loans Waiver of Margin/Security Requirements, and Cyber Security Framework for Banks.

i.RBI imposed **Rs 90 lakh** penalty on **Nutan Nagarik Sahakari Bank**, Ahmedabad for non-compliance with directions of Interest Rate on Deposits, Know Your Customer (KYC) and
ii.Rs 10 lakh penalty on **Daimler Financial Services India Private Limited** impose by RBI for non-compliance with RBI Commercial Paper Directions 2017 and Non-Banking Financial Company – Systemically Important Non-Deposit taking Company and Deposit taking Company (RBI) Directions, 2016.

RBI Issued Guidelines for Amalgamation of District Central Co-op Banks with State Co-op Banks

On May 24, 2021, the Reserve Bank of India(**RBI**) notified the guidelines for the Amalgamation of one or more District Central Co-operative Banks (DCCBs) in a State with State Co-operative Bank (StCB) or amalgamation of one DCCB with another.

- RBI issued the guidelines as some of the State governments approached RBI for amalgamation of DCCBs with the StCB as a two-tier Short-term Co-operative Credit Structure (**STCCS**).

Background:

i.On December 23, 2020, the Government of India has notified the Banking Regulation(BR) (Amendment) Act, 2020 (39 of 2020) for the DCCBs and StCBs with effect April 1, 2021, onwards.
ii. As per the notification, the amalgamation of the DCCBs and StCB has to be sanctioned by RBI in terms of the provisions of Section 44-A read with Section 56 of the BR Act, 1949.

Conditions for Amalgamation:

i.The scheme of amalgamation has to be approved by the requisite majority of shareholders following the provisions of Section 44A read with Section 56 of the BR Act, 1949.
ii. The proposal of the State Government for amalgamation has to be examined and recommended by National Bank for Agriculture and Rural Development (**NABARD**).
iii.Financial Parameter: The entities should have – Capital to Risk Weighted Assets Ratio (CRAR) above the prescribed regulatory minimum, Gross non-performing assets (NPAs) below 7 percent, Net NPA below 5 percent, and adequate liquid assets.

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Two- Stage process examination:

The proposal for amalgamation of DCCBs with the StCB will be examined by RBI in consultation with NABARD and the sanction/ approval will be a two-stage process as follows.

- ***1st stage:*** In this stage, an **in-principle** approval will be granted subject to fulfilment of certain conditions.
- ***2nd stage:*** At this stage, NABARD and RBI will provide the final approval along with a compliance report.

Considerations of 'in-principle' Approval:

i.Post-amalgamation, StCBs are required to adhere to the CRAR norms prescribed by RBI from time to time. (The shortfall in capital, if required, for meeting CRAR requirement shall be met by State Government)

ii. In case the StCB is not eligible to continue with certain lines of business, it shall be phased out within 1 year of grant of final approval.

iii. Existing branches of the DCCBs shall be converted into branches of the StCB and will come under the purview of Section 23 of the BR Act, 1949 (AACS).

iv.A new Board of the amalgamated bank shall be constituted within 3 months of amalgamation.

Highlights of RBI Annual Report 2020-21; Fall in Bank Fraud, Rise in Forex Earning, Increased Surplus

On May 27, 2021, the Reserve Bank of India (**RBI**) released its **Annual Report for 2020-21**, a statutory report of its Central Board of Directors, which covers the working and functions of the RBI for the transition period of **9 months** (July 2020 – March 2021).

Note – To make the Accounting year equivalent to Financial year, the accounting year of RBI was changed from July – June to April – March.

Growth – Due to the onset of the second wave of COVID-19, RBI has stated a raft of revisions to growth projections of FY22 towards the RBI's earlier projection of **10.5 percent** (26.2 percent in Q1, 8.3 percent in Q2, 5.4 percent in Q3 and 6.2 per cent in Q4)

About the RBI's Annual Report 2020-21 in Brief:

-Balance Sheet of RBI:

i.The balance sheet of RBI increased by **6.99 percent** /Rs 3,72,876.43 crore, from Rs 53,34,792.70 crore (June 30, 2020) to Rs 57,07,669.13 crore (March 31, 2021).

ii.RBI's gains from **foreign exchange** transactions rose by **69 percent** from Rs 29,993 crore to Rs 50,629 crore in 2020-21.

iii.RBI's Annual Account:

	FY20	July 2020-March 2021
Income(Decreased by 10.96 percent)	Rs 149,672 crore	Rs 133,272 crore
Total Expenditure (Decreased by 63.10 percent)	Rs 92,540.93 crore	Rs 34,146.75 crore
Surplus transferred to government Click here to know more	Rs 57,127.53 crore	Rs 99,122.00 crore

iv. The increase in asset size is mainly through an increase in foreign and domestic investments by 11.48 percent and 13.75 percent.

v.On the liability side, the increase was due to an increase in Deposits, Notes Issued and Other Liabilities by 26.85 per cent, 7.26 per cent and 43.05 percent

-Bank Fraud in 2020-21 Fell by 25%:

i.In 2020-21, Bank Fraud in terms of **value** (**Rs 1 lakh and more)** decreased by **25 percent** to Rs 1.38 trillion and fraud in terms of numbers decreased by **15 percent**.

ii. Public sector banks (**PSBs**) share of fraud in 2020-21 was **decreased** from FY20, it contributed about 59 percent (₹81,901 crores) of total fraud (FY20 – PSBs share is 80%), whereas the Private Sector Banks share increased from FY20.

iii. Foreign banks and financial institutions' share in fraud stood at 2.4 percent and 4.9 percent, respectively.

-Points to be noted over the report:

i.*Consumer price index(CPI) inflation:* RBI expected it to an average of **5 percent** during 2021-22 with 5.2 per cent in Q1and Q2, 4.4 percent in Q3, and 5.1 percent in Q4.

ii. In its February 2021 estimates, the National Statistical Office (NSO) estimated that the real GDP of 2021 to be contracted by **8.0 percent** (the first contraction since 1980-81 and the severest since national accounts have been compiled in India).

iii. The total support announced by RBI for the economy from February 6, 2020, to May 5, 2021, amounted to **Rs 15.7 lakh crore** (8.0 percent of 2020-21 nominal GDP).

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iv. India's stimulus measures including liquidity and other measures taken by RBI lead to 15.7 percent of GDP.
v.Gross Fiscal Deficit (GFD) is reported by government at 6.8 percent of GDP in 2021-22 – down from 9.4 percent in FY20 – has brought it down gradually to below 4.5 percent of GDP by 2025-26.
vi. The government has approved an advance of **Rs 4,500 crore** to vaccine manufacturers to ramp up the production of vaccines.
vii.*GST collections* – (April and early May 2021) the Goods and services tax (GST) collections crossed the **Rs 1 lakh crore** mark for the seventh consecutive month in April 2021 and marked the highest level on record.

-Report on Notes in Circulation:

i.Due to the precautionary holding of cash by the public (due to COVID-19), a higher than average increase in banknotes in circulation was witnessed in 2020-21.
ii. The value and volume of banknotes in circulation increased by 16.8 per cent and 7.2 per cent, respectively, during 2020-21, as against an increase of 14.7 per cent and 6.6 per cent, respectively, witnessed during 2019-20.
iii. The share of Rs 500 and Rs 2,000 banknotes together accounted for 85.7 percent against 83.4 percent as on March 31, 2020. (Rs 500 denomination – highest share, 31.1 percent and Rs 10 denomination – 2nd highest, 23.6 per cent)
iv.*Counterfeit banknotes in 2020-21* – Out of the total Fake Indian Currency Notes (FICNs) detected in the banking sector, 3.9 percent were detected at the RBI and 96.1 percent by other banks.

-Global Economy Report:

i.The global economy is projected to grow at **6.0 percent** in 2021 by the International Monetary Fund (IMF) in its April 2021 World Economic Outlook.
ii. In 2020, global output fell into its steepest contraction since the Great Depression at (-) 3.3 percent, with advanced countries' GDP down by 4.7 percent and that of emerging and developing countries (EMDEs) by 2.2 per cent.
iii. World trade volume of goods and services shrank by 8.5 percent and Crude prices declined by close to 33 percent in 2020.

-RBI flags risk of a bubble in Indian equity markets

i.RBI poses the risk of a bubble, due to a sharp **rise in the domestic equity markets** despite an estimated 8 percent contraction in GDP in 2020-21.
ii.RBI noted a record high rise in India's equity prices with the benchmark index (Sensex) crossing the 50,000 mark on January 21, 2021, to touch a peak of 52,154 on February 15 (which represents a 100.7 percent increase since March 23, 2020, and a 68.0 percent increase over the year 2020-21).

-Credit Support against COVID-19

RBI reported about the comprehensive Credit Support Measures Against the Second wave of COVID-19 viz, Term Liquidity Facility of **Rs 50,000 crores** to Ease Access to Emergency Health Services, Resolution Framework 2.0, Rationalisation of Compliance to KYC Norms, ect. Click here to know more

-Close monitor over Asset quality

After the Supreme Court lifted the interim stay on classifying non-performing assets (NPA) in March 2021, RBI has cautioned banks to have a close monitor over the asset quality and need to show the true picture of bad loans after. It estimates the bad loan ratio of banks to 13.5 percent under the baseline stress scenario by September 2021.

APPOINTMENTS & RESIGNATIONS

T Rabi Sankar appointed as the 4th Deputy Governor of RBI

The Appointment Committee of the Cabinet**(ACC)** chaired by Prime Minister Narendra Modi has appointed **T Rabi Sankar,** the Executive Director of Reserve Bank of India**(RBI)** as the **4th Deputy Governor of RBI.** ACC has cleared his appointment for a period of **3 years** or till his date of superannuation.

- He succeeds **B P Kanungo**, who retired on 2nd April 2021 after serving one year extension period.
- He is also incharge of the payments system, fintech, information technology and risk management at the RBI.

Note:
RBI cannot hold more than 4 deputy governors.
Other Deputy Governors of RBI:

- Mahesh Kumar Jain
- Michael D Patra
- Rajeshwar Rao

About T Rabi Sankar:

i.T Rabi Sankar joined RBI as a research officer in September 1990.

ii. He has been serving as the Chairman of Indian Financial Technology and Allied Services (IFTAS), a subsidiary of RBI since June 2020.

iii. He has served as the International Monetary Fund (IMF) appointed consultant to the government and central bank of Bangladesh from 2005 to 2011 and supported the development of the bond market and debt management process.

iv. He has served the Ministry of finance on deputation from 2008 to 2014.

About Reserve Bank of India(RBI):

RBI was originally established as a private organisation and was nationalised in 1949.

Established on April 1, 1935

Governor– Shaktikanta Das

Headquarters– Mumbai, Maharashtra

Jose J Kattoor Appointed as Executive Director of RBI

The Reserve Bank of India**(RBI)** has appointed **Jose J Kattoor** as its **Executive Director (ED)** with effect from 4th May 2021. He has been serving as the Regional Director for Karnataka at the Bengaluru Regional Office of RBI. His appointment comes after RBI's Executive Director, T Rabi Sankar appointed as the 4th Deputy Governor of RBI in April 2021.

As the ED of RBI he will manage the Human Resource Management Department, Corporate Strategy and Budget Department and Rajbhasha Department.

Padmakumar M. Nair to Take Charge as 1st CEO of NARCL

Padmakumar Madhavan Nair, Chief General Manager of Stressed Assets Resolution Group at State Bank of India(SBI) appointed as the **1st Chief Executive Officer(CEO)** of the National Asset Reconstruction Company Ltd **(NARCL**). (At present, he will be joining the company on deputation basis)

- NARC (the name coined for the bad bank) is expected to be operational in June,2021. It will be created in collaboration with both public and private sector banks.

Note – Bad bank refers to a financial institution that takes over bad loans of lenders and undertakes resolution.

Background:

In the budget for 2021-22, Finance Minister Nirmala Sitharaman announced the set-up of an Asset Reconstruction Company (ARC)/bad bank to consolidate and take over existing stressed assets of lenders and undertake their resolution.

Key points:

i.In consultation with the Finance Ministry and the Reserve Bank of India, the Indian Banks' Association (IBA) is spearheading the formation of NARCL.

ii. Stressed assets with principal outstanding of Rs 500 crore and above, aggregating about Rs 1.50 lakh crore, are expected to be transferred to NARCL.

iii. Based on the annual report of Reserve Bank of India (RBI), about 1.9 lakh crore of loans have been classified as fraud as on March 2020.

iv. The Financial Stability Report of RBI projected the NPAs of the banking sector to increase to 13.5 percent of advances by September 2021, from 7.5 per cent in September 2020.

About Asset Reconstruction Company(ARC):

i.It is a financial institution (FI) that buys the NPAs (Non-Performing Assets) or bad loans from banks and FI and helps them to recover from the NPAs.

ii. They are registered under RBI and regulated under the Securitisation and Reconstruction of Financial Assets and Enforcement of Securities Interest (SARFAESI) Act, 2002.

Vandita Kaul Appointed as Nominee Director on Board of Bank of India

The Government of India has appointed **Vandita Kaul as government nominee director** on the board of directors of **Bank of India.**

i.Vandita Kaul has been working as an Additional Secretary in the Ministry of Finance, Department of Financial Services.

ii. Bank of India has a total of eight members on its board including,

- MD and CEO
- Four executive directors
- One nominee director from the government
- One nominee director from the RBI and

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- One from the shareholder directors.

About Bank of India:
Establishment:7th September, 1906
Headquarters: Mumbai,Maharashtra.
Managing Director(MD) and Chief Executive Director(CEO): Atanu Kumar Das
Tagline: Relationship Beyond Banking

Abhay Tewari Appointed as MD&CEO of SUD Life

In May 2021, Star Union Dai-ichi Life Insurance Company Ltd (**SUD LIFE**) announced the appointment of **Abhay Tewari** as Managing Director and Chief Executive Officer**(MD&CEO)** of SUD LIFE.

About Abhay Tewari:
He joined SUD LIFE in 2014 as Appointed Actuary and he was holding the position of Joint President – Corporate & Chief Actuary (overseeing Operations, Actuarial, Risk and Corporate Governance functions), until his appointment as MD& CEO of the company.

About Star Union Dai-ichi Life Insurance Company Ltd (SUD LIFE):
SUD LIFE is a joint venture of Bank of India, Union Bank of India and Dai-ichi Life Insurance Company Limited, Japan.
Establishment – 2009
Headquarters – Mumbai, Maharashtra
Non-Executive Chairman – Rajkiran Rai G.

Rajesh Bansal Appointed as CEO of Reserve Bank Innovation Hub

The Board of Reserve Bank Innovation Hub (RBIH) has appointed **Rajesh Bansal as the chief executive officer (CEO) of the RBIH** with effect from May 17, 2021.

About Rajesh Bansal:
i.Rajesh Bansal was a member of the founding team of Aadhaar who played a key role in designing India's Direct Benefit transfer system, particularly for cooking fuel and electronic KYC(e KYC).
ii. He has been awarded the prestigious Golden Jubilee scholarship by the RBI.
iii. Earlier he has also served in the areas of technology, financial inclusion and payment systems in RBI.
iv. He is an expert in electronic cash transfers and digital financial services and has over twenty five years of experience in designing technology-led population-scale payment products, electronic cash transfers, digital financial services and digital IDs to enable inclusive development in India and multiple Asian and African markets.

About Reserve Bank Innovation Hub (RBIH):
The board of the RBIH which is headed by Infosys co-founder **S (Kris) Gopalakrishnan.**

Aim:
Leveraging technology to drive innovation across the financial sector.

Key Points:

- The Reserve Bank Innovation Hub would develop internal infrastructure to promote fintech research and facilitate engagement with innovators and start-ups.
- The Hub works on developing core capabilities in the fields like information security,analytics and electronic payments.
- It also builds partnership across regulators and government ministries for system-wide innovation.

IFSCA Constituted Expert Committee on Investment Funds – Headed by Nilesh Shah

On May 25, 2021, The International Financial Services Centres Authority (**IFSCA**), the regulator of **GIFT-City** (Gujarat International Finance Tec-City), constituted a 12-member expert committee on investment funds(**IF**) under the Chairmanship of **Nilesh Shah**, Managing Director of Kotak Mahindra Asset Management Co. Ltd., to recommend a roadmap to promote IF at International Financial Services Centres(**IFSC**).

- The Committee consists of leaders from the entire Fund Management ecosystem including from areas such as technology, distribution, legal, compliance, and operations.

Objective: To develop a comprehensive and consistent regulatory framework for IF based on global best practices with a special focus on ease of doing business.

Terms of Reference for the Committee:
i.The committee has to review and recommend IFSCA, a long term vision for operations of IF in IFSC.
ii.Structure of IF in IFSC:
Recommendations by the committee over the structure of IF in IFSC will be provided twofold.

- ***Short term*** – Recommendations which could be implemented by IFSCA immediately i.e. in **less than 3 months**.

- ***Mid-term*** – Recommendations that could be implemented by IFSCA in **6 months to 1 year**.

iii. The committee will identify inter-regulatory issues for the development of the IF industry at IFSCs.
iv. The committee will also suggest the relevant item on building the ecosystem along with asset managers, Hedge funds, Private equity(PE), Venture Capital(VC), sovereign funds, family offices, and the accompanying professional services.

Key points about IFSCA:

i.It is a unified authority for the development and regulation of financial products, financial services and financial institutions in the IFSC in India.
Note – GIFT IFSC is the **1st IFSC** formed in India.
ii. Prior to the establishment of IFSCA, the business of IFSC is regulated by the domestic financial regulators, namely, Reserve Bank of India(**RBI**), Securities and Exchange Board of India (**SEBI**), Pension Fund Regulatory and Development Authority (**PFRDA**), and Insurance Regulatory and Development Authority of India (**IRDAI**).

About International Financial Services Centres Authority (IFSCA):

Establishment – April 27, 2020, under IFSCA Act, 2019
Headquarters – GIFT City, Gandhinagar, Gujarat

Group of Ministers set up to Evaluate GST Related to Casinos, Race course;Convened By Nitin Patel

The Finance Ministry has set up a 7-member Group of States' Ministers (GoM) to better understand, examine, and resolve the uncertainty over the valuation of services by **casinos, race courses, and online gaming** companies for levying Goods and Services Tax (**GST**).
The Committee will be Convened by **Deputy Chief Minister of Gujarat, Nitin Patel**.

Key points:

i.Other 6 members:

- Ajit Pawar (Deputy Chief Minister of Maharashtra)
- Chowna Mein (Deputy Chief Minister of Arunachal Pradesh)
- P Thiagarajan (Finance Minister of Tamil Nadu)
- Amit Mitra (Finance Minister of West Bengal)
- B Bommai (Home Minister of Karnataka)
- M Godinho (Transport Minister of Goa)

ii. The GoM will submit the recommendation within **6 months** to the **GST Council**, chaired by the Union Finance Minister and comprising state Finance Ministers for its consideration.

Terms of Reference for Committee of GoM:

i.The committee will evaluate the services provided by casinos, race courses, online gaming portals, and the taxability of certain transactions in a casino. It will also include the existing legal provisions and orders of Courts into evaluation.
ii. Suggestions regarding the requirement of any **change on the legal provisions** for better valuation of these services (casinos, race course and online gaming) will be provided by it.
iii. Will examine the administration of valuation provisions and suggest alternative means of the valuation if needed. It will also evaluate the impact on other services like the lottery.

Provisions and rates:

i.As per the **Schedule III** of Central Goods and Services Tax (**CGST**) Act, **GST will not apply** (Exempt from levy of GST) to them which are neither 'supply of goods' nor 'supply of services. It includes actionable claims other than lottery, gambling and betting.
ii. Actionable claims can be enforced to GST only by legal action or a suit.
iii. Currently, services of casinos, horse racing and online gaming which are not involved in betting attract **18 percent** GST and online games involving betting or gambling attract **28 percent** GST.

About GST Council:

i.GST Council is an apex member committee to modify or to procure any law or regulation based on the context of GST in India.
ii. It was constituted on 15th September 2016 under Article 279A of the Constitution.
iii. The council is headed by the union finance minister (Current- Nirmala Sitharaman) and assisted by the finance minister of all the states of India.

OBITUARY

OTHER NEWS

Govt Extends Vivad Se Vishwas Deadline for Payments to June 30

The Government of India has extended the deadline for making payments under the **Direct Tax Vivaad Se Vishwas dispute resolution scheme** to another 2 months till 30th June 2021 and also extended the deadlines for various compliance under Income Tax Act due to the COVID-19 pandemic.

Other deadline extensions:

- The deadline for availing of the tax dispute settlement scheme had already been extended five times till March 31.
- Deadline for reopening of assessment on income which escaped the assessment under the section 148, till 30th June.
- Other tax compliance deadlines by 2 months from 30th April.

IFC to invest $40 million in Upgrad; $150 million loan to Bajaj Finance for 5 years

International Finance Corporation (**IFC**) a member of the World Bank Group, plans to invest USD **40 million** (about Rs 290 crore) in **upGrad**, an online up-skilling platform and IFC has proposed to loan up to **$150 million** to **Bajaj Finance Ltd**.

About investment in upGrad:

- upGrad was founded by Ronnie Screwvala, Phalgun Kompalli, Mayank Kumar and Ravijot Chugh(Promoters) in 2015 by investing over Rs 170 crore.
- Now, the promoters' holding in the firm came to **75 per cent** after the investments of USD 160 million in April 2021 (USD 40 million from IFC and a USD 120 million funding from Singaporean investor Temasek Holdings). The two external investors IFC and Temasek hold the remaining 25 per cent.
- Currently the company is valued at $850 million in turn moving towards a unicorn status.
- Ronnie Screwvala's UTV was acquired by Disney at an enterprise valuation of USD 1.4 billion in 2013

Note – A unicorn company, or unicorn startup, is a private company with a valuation over **$1 billion**. As of April 2021, there are more than 600 unicorns around the world.

About the Loan proposal to Bajaj Finance:

- IFC has proposed a senior loan of up to $150 million to Bajaj Finance Ltd. for up to **5 years** to enable the company to expand its lending to micro, small and medium enterprises (MSME) and women owned MSMEs.
- After obtaining the loan, Bajaj Finance plans to increase its lending to MSME segment to about $600 million.

About Bajaj Finance:

It is the third largest non-banking finance company (NBFC) in India
Establishment – 1987(Incorporated as Bajaj Auto Finance Ltd)
Headquarters – Pune, Maharashtra
Chairman – Sanjiv Bajaj

About International Finance Corporation (IFC):

Establishment – 1956
MD, Executive Vice President – Makhtar Diop
Headquarters – Washington D.C., USA

ICICI Bank tie-up with Decentro to offer customized business banking APIs

ICICI Bank and **Decentro** Tech Private Ltd, a full-stack Application Programming Interfaces(API) banking platform, made a partnership to offer customized business banking APIs to fintechs, startups, and corporates and e-commerce companies.

- ICICI Bank's seven business banking APIs from different categories, like deposits, payments, and collections were integrated by Decentro to provide a powerful kit to the end users.
- This initiative enables the ICICI Bank customers to have a quick and stable access to all business banking APIs.

About API in Banking:

- It is traditionally a tech interface between software programs which has a set of protocols for facilitating a third-party application to synchronize and connect to a bank's tools and services and makes a bank's services available to other third-party.

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- This helps both banks and third-party companies to combine their offerings and specialties (more than providing to their customers by themselves).

About ICICI Bank:
Establishment – 1995(Incorporated in 1994)
Headquarters – Mumbai, Maharashtra
MD& CEO – Sandeep Bakhshi
Tagline – Hum haina, Khayal Apka

Airtel Payments Bank become the first payments bank to enable ₹2 lakh of day-end balance account limit

As per the Reserve Bank of India's (RBI's) guidelines, Airtel Payments Bank has increased the day-end account balance limit for customers from ₹ 1 lakh to **₹ 2 lakh** and become the first payments bank in the country to do so.Click here to Know more

Oxford Economics Revised down India's GDP Growth Forecast for 2021 from 11.8% to 10.2%

Oxford Economics, Global forecasting firm has revised down India GDP growth forecast for 2021 from 11.8 per cent to **10.2 per cent** due to increasing burden of COVID-19 and lack of appropriate strategy by the government to curtain the pandemic. It has forecasted world GDP growth to 6.1% in 2021 and 4.3% in 2022.

Different Growth rate projections for India:

- IMF – 12.5 per cent in 2021
- S&P Global Ratings – 11 per cent in FY22
- RBI – 10.5 per cent for FY22
- The Economic Survey FY21- 11 per cent growth in FY22
- India's statistics office – projected contraction of 8 per cent (-8%) in FY21

Goldman Sachs, a Wall Street brokerage also decreased India's GDP growth forecast for 2021 to **10.5 per cent** from 10.9 per cent.

About Oxford Economics:
Establishment – 1981
Headquarters – Oxford, United Kingdom
CEO – Adrian Cooper

About Goldman Sachs:
Establishment – 1869
Headquarters – New York, United States
Chairman & CEO – David M. Solomon

Apple Launched $200 million Restore Fund to Reduce Carbon

Apple in partnership with Conservation International and Goldman Sachs launched a first-of-its-kind carbon removal initiative called the **Restore Fund** of **$200 million**, to make investments in timber-producing forest properties to **remove carbon** from the atmosphere and in turn generating a financial return for investors.
The fund aims to remove **one million metric tons** of carbon dioxide from the atmosphere annually, which is equivalent to the amount emitted by more than 200,000 passenger vehicles. A goal was set by Apple in 2020, to neutralize its own carbon emissions and those of its suppliers by 2030.

Central Government Allocates INR 15,000 Crore to States for Capital Expenditure

The Ministry of Finance, Government of India is set to provide an additional amount of **INR 15,000 Crore** to State Governments as **Interest free 50-year loan** for spending on Capital projects for the FY 2021-22.

- The loan will be provided to the States under 'Scheme of Financial Assistance to States for Capital Expenditure'.
- It aims to nudge States to spend more on **infrastructure and incentivize disinvestment** of State Public Sector Enterprises (SPSEs).
- The Guidelines for the scheme were released by the Department of Expenditure, Ministry of Finance.

Components of the Scheme

The scheme for Special Assistance to States for Capital Expenditure for 2021-22 has 3 parts.

Part	Amount Allocated	Details
Part-I	INR 2, 600 Crore for North-East and Hill States	**i.Assam, Himachal Pradesh & Uttarakhand to get INR 400 Crore each.**

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		ii.Other states will get INR 200 Crore each.
Part-II	INR 7, 400 crores for States not covered under Part-I	The amount has been allocated to these states in proportion to their share of Central Taxes. (as per award of 15th Finance Commission for 2021-22)
Part-III	INR 5000 Crore to States for monetization/recycling of infrastructure assets & disinvestment of SPSEs.	States will get Interest free 50 years loan ranging from 33% to 100% of the amount realized by them through asset monetization, listing & disinvestment

Key Points

i.These funds have been allocated to states for new and ongoing capital projects which will provide long term benefit to the state.

ii. The Allocation also includes incentives to states for monetization/recycling of infrastructure assets & disinvestment of SPSEs.

- Monetization of assets unlocks their value, eliminate their holding cost and enable scarce public funds to be deployed to new projects.
- It will speed up the implementation of the National Infrastructure Pipeline.

iii. The 'Scheme for Special Assistance to States for Capital Expenditure' was launched in 2020 to provide financial assistance for the states.

- Under the Scheme, Financial Assistance of INR 12,000 Crore was earmarked for providing to the State Governments during the FY 2020-21, out of which INR 11, 830.29 Crore was released.

Capital Expenditure

i.It includes funding for creation, acquisition of capital assets like infrastructure, construction of roads, building, machinery, railway line, airports.

- It creates employment for the poor and unskilled and enhances the future productive capacity of the economy.
- The Central Government has also budgeted to raise **INR 1.75 Lakh crore** through Central Public Sector Enterprise (CPSE) disinvestment during the FY 2021-22.

SIDBI Launched Two Quick Credit Delivery Schemes Against COVID-19: SHWAS, AROG

In order to manage the national emergency and distress caused by COVID-19, the Small Industries Development Bank of India (**SIDBI**) has launched **SHWAS & AROG,** two new quick credit delivery schemes to help Micro,Small and Medium Enterprises (MSMEs).

About the two current credit fund schemes:

i.SHWAS (SIDBI assistance to Healthcare sector in War Against the Second wave of COVID-19) – This scheme will fund MSMEs who are engaged in manufacturing of **oxygen** cylinders, oxy-generators, oxygen concentrators, liquid oxygen or providing services in transportation, storage, refilling to supply of these items.

ii.AROG (SIDBI Assistance to MSMEs for Recovery & Organic Growth during COVID-19 pandemic) – It will fund for MSMEs engaged in manufacturing of Pulse Oximeters, Permitted drugs (Remdesivir, Fabiflu, Dexamethasone, Azithromycin), Ventilators, and Personal protective equipment(PPEs).

- Both the schemes will provide the MSME units with 100 percent funding up to an amount of **₹2 crores** at an attractive interest rate of **4.50-6 percent**, within **48 hours** (after receipt of all the documents/information).
- The schemes are devised under the guidance from Government of India (GoI) which facilitates funding for production and services related to supply of oxygen cylinders, oxygen concentrators, oximeters and essential drugs.

About the SAFE scheme:

- In March 2020, SIDBI had launched a similar kind of fund scheme called **SAFE** (SIDBI Assistance to Facilitate Emergency response against COVID-19) to all MSMEs who are engaged in manufacturing any product which is related to fighting COVID-19 (such as, hand sanitisers, masks, bodysuits, ventilators, testing labs).
- More than 400 MSME units have been sanctioned financial assistance under SAFE amounting to a total of ₹178 crores in FY21.

About Small Industries Development Bank of India (SIDBI):

It is a Principal Financial Institution established to promote, finance and develop MSME sectors.

Establishment – 2nd April 1990 (under an Act of Indian Parliament)

Headquarters – Lucknow, Uttar Pradesh

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Chairman & Managing Director – Sivasubramanian Ramann
Deputy Managing Director – V Satya Venkata Rao

Mastercard and Gemini partners to launch a crypto rewards credit card

Mastercard in partnership with Cryptocurrency exchange, **Gemini & WebBank,** a leader in digital lending and the **bank** issuing the credit card to launch a **1st of its kind, Cryptocurrency rewards credit card.**

i.The most unique features of this Card are,

- Crypto rewards on purchases
- Real-time rewards
- No annual fee
- Security-first design
- Near instant access

ii. Using this card, Clients will earn up to **3%** in cryptocurrencies depending on their purchase.
iii. The rewards will be automatically deposited in the cardholder's Gemini account in real time.
iv. There will be no annual fee for the card and there is a 24/7 live customer support
v.This is a small metal card with only the cardholder's name on it.The 16 digit card number can be accessed in Gemini web or mobile app and require two factor authentication since it is not present in the card.

About Gemini:
Founder: Tyler
Headquarters: New York, United States

About Mastercard:
Executive Chairman: Ajay Banga
Chief Executive Officer: Michael Miebach
Headquarters: New York, United States

CtrlS Partners with Canara HSBC OBC Life Insurance to Provide Technology Solutions

CtrlS Datacenters, Asia's largest hyperscale rated-4 data center provider and managed services company made a partnership with **Canara HSBC Oriental Bank of Commerce Life Insurance** as **Strategic Technology Partner** to improve the Canara HSBC's adaptability over the technology infrastructure.

Reason for Partnership:

- As the Canara HSBC desired to upgrade its technology landscape, CtrlS plans to operate one of its data center facilities to support for its digital transformation.

Key Services Provided by CtrlS:

CtrlS provides hyperscale rated-4 data centers which are fault-tolerant, disruption-free, with uptime service level agreement of 99.995 per cent, and carrier-neutral data center facilities, 6 to 9 zone military-grade security, provide interconnectivity with a large ecosystem of Internet service providers (ISPs), telcos, e-commerce players, banks, payment gateways and internet exchanges.

About Data Center:

- A data center is a facility that centralizes an organization's shared IT operations and equipment for the purposes of storing, processing, and disseminating data.
- **Rated 4 datacenters** are the safest data center for an organization's data and hardware as they are built to withstand earthquakes, floods, fires, and have several physical security zones.

About CtrlS:
Establishment – October 2007
Founder and CEO – Sridhar Pinnapureddy
Headquarters – Hyderabad, Telangana

About Canara HSBC Oriental Bank of Commerce Life Insurance:
It is a joint venture between Canara Bank (51%), HSBC Insurance (Asia Pacific) Holdings Limited (26%) and Punjab National Bank (23%).
Establishment – 2008
Headquarters – Gurugram, Haryana
MD and CEO – Anuj Mathur

SEBI Mandated AMCs to Pay 20% Salaries of Key Employees in Units of Mutual Funds

In order to bring transparency in the acts of Asset Management Company's (**AMC**) **Key employees**, the Securities and Exchange Board of India (**SEBI**) has mandated Key employees of AMCs to pay **20 percent** of their salary (including perks, bonus, non-cash compensation net of income tax and statutory contributions like Employees Provident Fund) in units of **mutual fund** schemes in which they have a role/oversight.

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- The regulations will be applicable from 1st July 2021 and they are **only for AMCs**, not on the agents, banks, and insurance companies.
- Key employees of AMCs include – Chief Executive Officer (CEO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Chief Information Security Officer (CISO), etc.

Key points about SEBI's Mandate:

- The compensation in units has to be paid in proportional to the Assets Under Management (AUM) of the schemes in which the Key Employee has a role/oversight.Sebi has said compensation in the form of MF units will be paid over 12 months.
- **Excluded Funds:** Exchange Traded Funds (ETFs), Index Funds, Overnight Funds, and existing close-ended schemes are excluded from such regulation.
- **Lock-in Period:** The paid units will be locked for a minimum of **3 years** or tenor of the scheme. Borrowing against the lock-in units from AMCs by its employees was allowed under emergency.
- **Exception:** The units could be redeemable if the person is retiring at superannuation age (not for retiring before superannuation age).
- **Diversification of unit holding:** Option to subscribe 50 percent of the units in the schemes managed by them and, the remaining 50 percent in other schemes which are having the same of higher risk as per the risk o meter.

About Securities and Exchange Board of India (SEBI):

Establishment – On April 12, 1992, under the Securities and Exchange Board of India Act, 1992.
Headquarters – Mumbai, Maharashtra
Chairman – Ajay Tyagi

Central Bank of India launched 'Immune India Deposit Scheme' to Boost COVID-19 vax Drive

The Central Bank of India launched the "Immune India Deposit Scheme" a special deposit scheme to provide an additional interest rate of 25 basis points in addition to the applicable card rate for the vaccinated people.

- The Immune India Deposit Scheme has a maturity of 1111 days.
- The senior citizens are also eligible for the extra interest as applicable.

Himachal Pradesh State Cooperative Bank was imposed Rs 40 lakh penalty by RBI

The RBI has imposed a penalty of **Rs 40 lakh on Himachal Pradesh State Cooperative Bank,** Shimla, for non-compliance with certain regulatory directions issued by NABARD.
The penalty has been imposed for non-compliance with regulatory directions issued by NABARD contained in "Review of Frauds – Guidelines on Monitoring and Reporting System"

KLI appointed Mahesh Balasubramanian as MD

Kotak Mahindra Life Insurance Company Limited (**KLI**) has appointed **Mahesh Balasubramanian,** the Managing Director and Chief Executive Officer (MD & CEO) of Kotak General Insurance(KGI) as its new Managing Director**(MD)** for a period of **3 years starting from 1st May 2021.**

- He was appointed following the retirement of G Murlidhar.
- KLI is in receipt of approval from the Insurance Regulatory Development Authority of India**(IRDAI)** for the appointment of Balasubramanian.
- Suresh Agarwal has been appointed as the MD & CEO of KGI.

About Mahesh Balasubramanian:

i.Mahesh Balasubramanian has been serving as the founder MD & CEO of KGI since 2014.
ii. He was the co-founder of Apnaloan.com India's first and largest Online Loan marketplace for Credit Cards, Unsecured Loans, Car Loans and Mortgages.
iii. He joined the Kotak Mahindra Bank in 2005.

About Kotak Mahindra Life Insurance Company Limited (KLI):

Managing Director– Mahesh Balasubramanian
Head Office– Mumbai, Maharashtra

DCB Bank Acquired Stake Worth 10 Crore from GIFT City's India ICC & India INX

DCB Bank has acquired Rs.10 Crore worth stake in India International Exchange Ltd (**India INX**), India International Clearing Corporation Ltd (**India ICC**) leading companies in **GIFT City** (Gujarat International Finance Tec-City), International Financial Services Centre (**IFSC**).

- DCB had invested **Rs.10 crore** in which, **Rs 5 crore** spent to acquire **2.89 per cent** stake of **India INX & remaining Rs.5 Crore was spend to acquire 4.93 per cent** stake of India ICC.

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- India ICC provides clearing and settlement, and risk management services to India INX, India's 1st exchange in IFSC.
- Both India INX and India ICC were promoted by the Bombay Stock Exchange(BSE) and regulated by IFSC.

About DCB Bank:

Establishment – 1930
Headquarters – Mumbai, Maharashtra
MD and CEO – Murali Natrajan
Tagline – We Value You

About Gujarat International Finance Tec (GIFT)City:

It is India's first operational greenfield smart city (business district) established in Gandhinagar, Gujarat. It is located on the banks of the Sabarmati River and around 12 km from Sardar Vallabhbhai Patel International Airport. As of April 2021, about 225 units/companies are operational under GIFT City.

Nirmala Sitharaman Virtually Inaugurated India's 1st 3D Printed House at IIT-M

Union Finance Minister, **Nirmala Sitharaman** virtually inaugurated **India's 1st 3D printed house** at the Indian Institute of Technology Madras **(IIT-M),** Chennai, Tamil Nadu**.**

- The single-storey home has been built in just five days over an area of about **600 sq. ft** using **'Concrete 3D Printing"**
- **TVASTA Manufacturing Solutions**, a start-up founded by IIT-M alumni in association with **Habitat for Humanity's Terwilliger Centre** for Innovation in Shelter built the 3D Printed House.
- The 3D Printed House would help to meet the deadline of Prime Minister Narendra Modi's vision of the 'housing for all' scheme by 2022.
- TVASTA Manufacturing was set up as part of the, Ministry of Housing and Urban Affairs's ASHA Incubator.

Gist about 3D printing:

3D Printing, commonly known as additive manufacturing, is the computer-controlled sequential layering of materials to create three-dimensional shapes. From automobile to jewellery to healthcare, the technology is used in a wide range of industries. The Global market of 3D printing is expected to reach 34.8 billion USD by 2024. In 2020, the Ministry of Electronics and Information Technology released the National Strategy for Additive Manufacturing.

Sebi Imposed Fine of Rs 1.75 Cr on Several Entities in Vakrangee Case

A total fine of **Rs 1.75 crore** was imposed by **Markets regulator SEBI**(Securities Exchange Board of India) on several entities for indulging in **fraudulent trading in the scrip of Vakrangee Ltd**. The entities have violated Prohibition of Fraudulent and Unfair Trade Practices norms.

- In one of the two orders a fine of Rs 50 lakh each was imposed on a group of 22 connected entities and on a group of 16 entities.
- And in another order a fine of Rs 75 lakh was imposed on the connected group of 27 entities.

Neobank, Fi Partnered with Federal Bank to Open Instant Savings Account

Bengaluru-based Neobank **Fi**, has partnered with Federal Bank to issue an instant savings account, equipped with a debit card, in under 3 minutes for salaried millennials. Click here to Know more

Motilal Oswal PE Acquired a Minority stake in Fincare Small Finance Bank for ₹185 crore

On May 03, 2021, Motilal Oswal Private Equity (**MOPE**) has acquired a minority stake in Fincare Small Finance Bank (**Fincare SFB**) for **$25 million (about ₹185 crores)** through a secondary acquisition.

- The key investor in Fincare SFB, True North Fund V LLP got a partial exit from the firm after the deal of MOPE with Fincare SFB.
- The deal was done by one of the growth capital funds of MOPE called **India Business Excellence Fund–III** (it was managed and advised by MOPE).
- Secondary Acquisition – It means the acquisition of existing shares of the company by the trust on the platform of a recognised stock exchange for cash consideration.

About Fincare SFB:

It is a Non-Banking Finance Company – Micro Finance Institution (NBFC-MFI), which was turned into a small finance bank in 2017. Before converting into a small finance bank, it was predominantly conducting business from two entities such as West India based Disha Microfin and South India-based Future Financial Services.

About Small Finance Bank:

i.They are established as public limited companies in the private sector under the Companies Act, 2013 and governed by the provisions of RBI Act, 1934 and Banking Regulation Act, 1949.

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ii.Eligibility: Resident individuals/professionals with **10 years** of experience in banking and finance will be eligible as promoters to set up small finance banks.
iii.Capital Requirement: The minimum paid-up equity capital should be **₹200 crores** (US$28 million).
About Fincare Small Finance Bank (Fincare SFB):
Establishment – 2017
Headquarters– Bengaluru, Karnataka
MD & CEO– Rajeev Yadav

Online Sales accounted for 19% of Overall Retail Sales in 2020 : UNCTAD Report

According to Estimates released by UNCTAD (United Nations Conference on Trade and Development), the Online Sales accounted for **19%** (from 16% in 2019) of Overall Retail Sales in 2020. The increase in online sales has been due to the pandemic.
i.The Estimates were released in UNCTAD's Report – 'Estimates of Global e-commerce 2019 and preliminary assessment of covid-19 impact on online retail 2020'.
ii. Countries which reported the highest online share of retail trade in 2020 are **South Korea – 25.9%**, China – 24.9%, Britain 23.3% and the United States – 14.0%.
iii. The report also states that Global e-commerce reached USD 26.7 Trillion in 2019 (including Business-to-Business (B2B) & Business-to-Consumer (B2C) sales).
iv. The USD 26.7 Trillion value reached by e-commerce is equal to 30% of the Global Economic Output.

E-commerce sales in 2020

i.The Top 3 e-commerce companies based on Gross Merchandise Value (GMV) in 2020 are
- Alibaba (China) – USD 1,145 Billion
- Amazon (USA) – USD 575 Billion
- JD.com (China) – USD 379 Billion

ii. The value of top 13 B2C e-commerce firms increased by 20.5% to USD 2.9 Trillion in 2020, compared to 17.9% in 2019.

E-commerce sales – 2019

According to the Estimates of Global e-commerce 2019,
i.In B2B e-commerce sales – the US came 1st followed by Japan & China.
ii. In B2C e-commerce sales – China finished top followed by the US & United Kingdom (UK). India came 9th.
- India's B2C e-commerce sales stood at USD 61 Billion
- Share of e-commerce sales in GDP – 2.1%
- Online Shoppers – 70 Million (percentage of internet users – 20%).

About United Nations Conference on Trade and Development (UNCTAD)
Acting Secretary-General – Isabelle Durant
Headquarters – Geneva, Switzerland

Goldman Sachs Revised India's GDP Forecast for FY22 to 11.1% from 11.7%

Goldman Sachs, brokerage has reduced India's economic growth forecast for FY22 to **11.1 percent** from 11.7 percent due to the local restrictions and increasing COVID-19 cases.
- It has revised down the growth forecast for calendar year 2021 from 10.5 percent to **9.7 percent**.
- **GDP expansion:** The GDP expansion was reduced to 6.8 percent and 6.5 percent in FY18 and FY19 from 8.3 percent growth rate of FY17. It was reduced to 4 percent in FY20.
- ***Other Organization's Projection:***RBI has projected FY22 GDP growth at 10.5 per cent, while IMF puts it at 12.5 per cent. The World Bank sees 2021-22 growth at 10.1 per cent.

About Goldman Sachs Group:
Establishment – 1869
Headquarters – New York, United States
Chairman and CEO -David M. Solomon

LIC Became 10th Most valuable & 3rd Strongest Insurance Brand Globally

Brand Finance, a London-based brand valuation consultancy firm in its annual report on the most valuable and strongest insurance brands – "Insurance 100 2021", reported the Life Insurance Corporation (LIC) as the **3rd** strongest and the **10th** most valuable insurance brand globally.
- LIC's brand value increased by almost **7 percent** to $8.65 billion from 2020 to 2021.
- The report stated a decline in the total value of the world's top 100 most valuable insurance brands by **6 per cent** from $462.4 billion in 2020 to $433.0 billion in 2021.

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Top Valuable Insurance Brands in the world:

Position	Insurer	Country
1	Ping An Insurance	China
2	China Life Insurance	China
3	Allianz	Germany
4	AXA	France
10	Life Insurance Corporation	India

Top Strongest Insurance Brands in the world:

Position	Insurer	Country
1	Poste Italiane	Italy
2	Mapfre	Spain
3	Life Insurance Corporation	India
4	Ping An Insurance	China

About Life Insurance Corporation(LIC):

Establishment -1956
Headquarters – Mumbai, Maharashtra
Chairman -M R Kumar
Managing Director – Siddhartha Mohanty, Vipin Anand, Mukesh Kumar Gupta, Raj Kumar

eNAM Selected Kotak Mahindra Bank as Digital Payments Partner

On May 5, 2021, **Kotak Mahindra Bank** was selected as a **digital payments partner** by the National Agriculture Market (**eNAM**) to facilitate online transactions for all stakeholders on the eNAM platform, including farmers, traders and farmer producer organisations (FPOs)

Key points about the initiative:

i.Under this partnership, the bank will provide payment, clearing and settlement services by integrating its payment system and portal directly with the payment interface of the eNAM platform to enable a trade facility between a buyer and seller (of agri produce).
ii. The eNAM online ecosystem will enable farmers with more power over pricing decisions, greater transparency and availability of financial support.
iii. Kotak became one of the first banks to join eNAM, as an online payments and transactions partner.

About eNAM:

It is an agri **e-marketplace** that facilitates buying & selling of agricultural commodities. It was established by networking Agricultural Produce Market Committees (APMCs). There are around 1.68 crore farmers registered on the platform. At present, it covers 1,000 mandis across 18 states and three union territories.

About National Agriculture Market (eNAM):

Establishment – April 14, 2016
Headquarters – NewDelhi
It was launched by the Ministry of Agriculture, Government of India and the Portal is managed by Small Farmers' Agribusiness Consortium (SFAC).

About Kotak Mahindra Bank:

It is India's first non-banking finance company which is converted into a bank.
Establishment – 1985
Headquarters -Mumbai, Maharashtra
Tagline – Let's Make Money Simple
MD & CEO – Uday Kotak

IRDAI Introduced Standard Travel Insurance with Guidelines

The Insurance Regulatory and Development Authority of India (IRDAI), has issued guidelines on **Bharat Yatra Suraksha**, the Standard Domestic Travel Insurance Product (**SDTIP**) of India.

- The standard product consists of five different plans under the standard travel insurance product and the coverage is both benefit and indemnity-based.

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About Health Coverage:

i.This product also will provide coverage for hospitalization expenses, death, permanent complete/partial disablement due to an accident

ii. The coverage provides indemnity-based payment for hospitalization expenses ranging from **Rs1 lakh to Rs10 lakh** and an accidental death benefit ranging from **Rs1 lakh to Rs1 crore**. It also has Rs 500 worth of deductibles.

iii. These policies (except Plan A) will come with a cover of Rs 20,000 to Rs 1 lakh for repatriation of mortal remains.

Note -An indemnity is a comprehensive form of insurance compensation (an exemption from liability) for damages or loss to a certain limit.

About Insurance Regulatory and Development Authority of India (IRDAI):

It is formed under the Insurance Regulatory and Development Authority Act, 1999 (IRDAI Act 1999) on the recommendations of the Malhotra Committee.

Establishment – 1999(incorporated- 1st April 2000)

Headquarters – Hyderabad, Telangana

Chairman – Subhash Chandra Khuntia

India's GDP Growth- Fitch Forecast 9.5% for FY22; S&P Global Ratings Forecast 9.8% for FY22

Fitch Ratings reduced India's GDP growth forecast for FY22 to **9.5 percent** due to COVID-19, it has earlier estimated a 12.8 percent growth for FY22 in March 2021. Click here to know more

S&P Global Ratings Revised GDP Growth Projection For FY22 to 9.8%

On May 05, 2021, S&P Global Ratings revised India's GDP growth forecast for FY22 to **9.8 percent** due to the impact of the second wave COVID-19, which is reducing the economic recovery.

- The rating agency has earlier forecasted **11 percent** GDP growth for FY22 on March 2021 and currently it has a 'BBB-' rating for India.
- It has estimated the average daily output loss at $210 million and the general government deficit in FY21 as 14 percent of GDP, with a net debt stock of just over 90 percent of GDP.

About Fitch Ratings:

President– Ian Linnell

Headquarters – New York, United States

About S&P Global Ratings:

Headquarters – New York, United States

President – John Berisford

Axis Mutual Fund Launched – Axis Global Innovation Fund of Fund

On May 6,2021, Axis Mutual Fund launched a mutual fund scheme called **Axis Global Innovation Fund of Fund** to provide opportunity for investors to invest in Schroder International Selection Fund **(SISF) Global Disruption**.This is AMC's fourth international fund.

- SISF Global Disruption is an equity fund that aims to provide long term capital growth by investing in worldwide companies that benefit from disruption.

Type of the Scheme:

i.It is an **open-ended fund of fund** scheme that will invest in SISF Global Disruption to provide capital growth.

ii. This global investment fund will access different **global disruption** themes such as environment, automation, healthcare, fintech, communication, food and water, new consumer, digitalization, and e-commerce.

iii.SISF Global Disruption will provide capital growth by investing in innovative companies that are redefining their industries or are successfully adapting to change.

Subscription date:

i.From **May 10 to 21**, 2021, the New Fund Offer (**NFO**) will be open for subscription and the minimum application will be **Rs 5,000** and in multiples of Re 1/- thereafter. The benchmark against the scheme will be MSCI All Country World index (ACWI) (Net TR) (INR).

ii. At first the scheme will be investing in shares/units of the underlying fund, which in turn invests in global equities. An expense ratio of 2.25 percent is estimated by the Axis asset management company.

Suitability of the scheme:

This scheme will be suitable for investors who want international allocation/global diversification and having high risk appetite, as the scheme is thematic and highly risky one.

Note – **Fund of Funds** (FOF)- It is an investment strategy, which utilises its pool of resources to invest in various other kinds of mutual funds available in the market rather than investing directly in stocks, bonds or other securities.

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Note – **New Fund Offer** (NFO) – It is the first subscription offering for any new fund offered by an investment company.

About Axis Mutual Fund:

Establishment – 2009
Headquarters – Mumbai, Maharashtra
MD & CEO – Chandresh Kumar Nigam

NABARD Provided Financial support of Rs 9162 crore to West Bengal in FY21

In FY21, National Bank for Agriculture and Rural Development (**NABARD**) gave financial support of **Rs 9,162 crore** to **West Bengal**(WB) for the development of agriculture and allied sectors under Covid-19.

- NABARD State Focus Paper 2021-22 has estimated a credit potential of Rs.2.21 lakh crores to be disbursed by various banks for the priority sector activities of WB.
- The theme for this year's State Focus Paper (2021-22) is '**Collectivization of Agricultural Produce for Enhancing Farmer's Income'.**

Key points about the Rs.9,162 crore financial support:

The financial support includes a loan of **Rs. 1269.27 crore** to State Government for **rural infrastructure** development, **Rs. 3842.32 crore** for **long-term refinances** assistance to Rural Financial Institutions (RFIs), and **Rs. 3757.50 crore** for **short-term refinance** to RFIs for supporting production and marketing activities of farmers and rural artisans.

Rural Infrastructure Development Fund (RIDF):

i.In FY21, with RIDF loan support of **Rs.1659.62 crore**, NABARD sanctioned 2284 new rural infrastructure projects in WB (consisting of rural roads, rural bridges, medium and minor irrigation projects, flood protection projects, solar power plants and Anganwadi Centres).
ii. It sanctioned 2 solar power plants under RIDF that would generate 20 MW power for lighting 06 villages and providing electrical facilities to 29,000 villagers.
iii. Formed 966 Anganwadi Centres, which will benefit about 61,000 women of 966 villages, in providing facilities for their children.

Long-term refinance facility:

Under this facility, NABARD gave Rs. 2403.33 crore concessional refinance support to Commercial Banks, Rs.701.0 crore to the Cooperative Banks, Rs. 157 crores to Regional Rural Banks, and Rs. 581 crores to NBFC/NBFC-MFIs in the State.

Short-term refinance facility:

Under this, Rs. 3757.50 crore was provided to support the Rural Cooperative Banks(RCB) and RRBs towards agriculture operations. It also includes a Special Liquidity Facility of Rs. 720 crore provided to RCB and RRB banks.

Points to be noted:

i.Under its Micro Irrigation Fund, NABARD sanctioned a Micro Irrigation project to the Govt. of WB with loan support of Rs.276.55 crore(This will bring 74,592 ha area under micro-irrigation coverage spread over 10 districts of the State)
ii.A Special Liquidity Facility of Rs. 450 crore was extended to Non- Banking Finance Companies (NBFC)/NBFC-MFIs/smaller MFIs in WB.

About National Bank for Agriculture and Rural Development (NABARD):

Establishment – 1982 (on the recommendations of B. Sivaramman Committee)
Chairman – Govinda Rajulu Chintala
Headquarters – Mumbai, Maharashtra

SAIL Enters 100 Most-Valued Indian Firms List with m-cap of Rs.55,500 crore

With **Rs.55,500 crore market capitalisation (m-cap), Steel Authority of India Limited(SAIL)** enters **100 most-valued Indian firms' club.**

- SAIL regained market capitalisation (m-cap) of Rs.50,000 crore, after its stock of SAIL increased to a nine year high of Rs 135.60 on the BSE. In the last six weeks, the stocks of SAIL have increased by 85%.
- According to BSE data,SAIL stood at 78th position in the overall m-cap ranking with a market cap of Rs 55,529 crore.

KVG Bank Bags Top 5 PFRDA Awards

Karnataka Vikas Grameena Bank (**KVGB**), has bagged top 5 awards from the Pension Fund Regulatory and Development Authority (**PFRDA**) due to the various campaigns held under KVGB for enrolment of Atal Pension Yojana (APY).

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- The 5 awards include – Lead to Leap, APY Makers of Excellence, Game Changers, Leadership Capital and Amazing Achievers

KVGB's Implementation of social security schemes:

i.The bank is playing a key role in the implementation of social security schemes such as Atal Pension Yojana (APY), Prime Minister Jeevan Jyothi Bhima Yojana (PMJJBY), and Prime Minister Suraksha Bhima Yojana (PMSBY)
ii. So far, the bank has settled around 3,809 claims (Rs 76.18 crores) under PMJJBY, and 706 claims (Rs 13 crores) under PMSBY.

Schemes enrollment:

Schemes	**Policies enrolled in FY21**	**Policies enrolled since the introduction of the schemes**
PMJJBY	78,129	51,41,524
PMSBY	94,658	11,89,321
APY	68,961	2,06,214

About Karnataka Vikas Grameena Bank (KVGB):

- It is a Government-owned Regional Rural Bank(RRB) and sponsored by Canara Bank
- It is formed by the amalgamation of four RRBs such as Malaprabha Grameena Bank, Bijapur Grameena Bank, Varada Grameena Bank, and Netravathi Grameena Bank.

Establishment – 12th September 2005
Headquarters – Dharwad, Karnataka
Chairman – P Gopi Krishna
Chief Executive Officer – Susheela B

EPFO can Invest up to 5% in AIFs

The Labour Ministry has notified the changes in the investment pattern of the Employees Provident Fund Organisation(**EPFO**), which allowed it to make an investment of up to **5 percent** of its investible surplus in Alternative Investment Funds (**AIFs**).

- This change came after the Government's recent modification over the investment pattern of **Non-Government Provident Funds, Superannuation Funds, and Gratuity Funds** to invest in AIFs**.**
- The EPFO manages more than Rs 12 lakh crore of retirement savings of over six crore subscribers. The new investment pattern will be effective from March 15, 2021.
- **Target** – The government plans to raise this to 100,000 startups and over 100 unicorns by 2025 by helping Indian startups become global giants.

Background:

i.In March 2021, the Ministry of Finance, Department of Financial Services, made changes over the investment pattern of the above-mentioned funds with certain conditions.
ii. The changes allowed the funds to invest up to 5 percent in the units of **Category I and Category II of AIFs** that support infrastructure, micro, small and medium enterprises (MSMEs), and social venture capital funds and regulated by the Securities and Exchange Board of India(SEBI).

Conditions for investment in AIFs:

i.Investments could be made only in AIFs with a corpus equal to or more than **Rs 100 crore**.
ii. Maximum Exposure to a single AIF shall not exceed **10 percent** of the AIF size (this limit would not apply to a government-sponsored AIF).
iii. Directly or indirect investments in securities of the companies or funds which are incorporated and/or operated **outside India** is **not allowed**.
iv.AIF's sponsor should not be the promoter/the promoter group of the Fund.
v.AIFs should not be managed by someone who controlled by the promoter group.
vi.Category 1 AIF – Under which investments should be in Small and Medium Enterprises(SME), infrastructure, venture capital(VC) or social welfare entities.
vii.Category II AIF – For Category II AIFs, at least **51 percent** of the funds should be invested in either of the SME, infrastructure, VC or social welfare entities.

About Alternative Investment Fund (AIF):

AIF is a privately pooled investment vehicle that collects funds from sophisticated investors, whether Indian or foreign, for investing it by a defined investment policy for the benefit of its investors.

Categories of AIFs:

- Category I AIFs – Venture capital funds (Including angel funds), SME Funds, social venture funds, infrastructure funds (Investment for start-up SMEs, infrastructure)
- Category II AIFs – Real estate funds, Private Equity funds (PE funds), funds for distressed assets

- Category III AIFs – Hedge funds, Private Investment in Public Equity Funds (PIPE) Funds

SEBI Amended the Issue of Capital and Disclosure Requirements' Regulations to Support Start-ups

Under section 30 of the Securities and Exchange Board of India(SEBI) Act, 1992 (15 of 1992), **SEBI** amended the SEBI (**Issue of Capital and Disclosure Requirements**) Regulations, 2018, called SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2021.

- In order to boost the listing of start-ups renamed Institutional Trading Platform (ITP) (formed in 2015) as Innovators Growth Platform.
- The term 'Accredited Investor' for the purpose of IGP is renamed as 'Innovators Growth Platform Investors'.
- Delisting price is provided based on a floor price determined in terms of regulation 8 of SEBI Substantial Acquisition of Shares and Takeovers (SAST) Regulations, 2011. Click here to know more

"Savdhan Rahein, Safe Rahein" public awareness campaign launched by Bajaj Finserv

Bajaj Finserv launched 'Savdhan Rahein, Safe Rahein', a public awareness campaign on **financial fraud risks** to educate customers and public at large on financial fraud risks and how to stay protected across digital and social media platforms.

About "Savdhan Rahein, Safe Rahein"

i.This campaign highlights

- how and what customers need to verify the policy authenticity;
- differentiating between a genuine and fake policy
- where the customers can go for reporting these incidents

ii. The campaign also alerts the customers to be mindful of the various signs and means to differentiate between the genuine Bajaj Finserv entity and a fake one, whether on web or social media platforms.

iii. The brand has also gone live with the campaign on other infotainment and entertainment apps like Chingari, Josh and Jio Saavn, to effectively reach out to the regional audiences, present on these platforms.

iv. The campaign has a catchy jingle 'Na Ji Na Ji' with an endearing character named 'Gupta Ji' who goes around spreading these awareness messages in his own unique style.

About Bajaj Finserv:

Chairman and Managing Director(CMD): Sanjiv Bajaj
Headquarters: Pune,Maharashtra
Chatbot: Blu

Carlyle Sells 4% Stake in SBI Life for Rs 3,900 crore

On May 7, 2021, **Carlyle Group**, a private equity firm through its entity CA Emerald Investment, sold a 4 percent stake (amounting to 4.1 crore shares) in **SBI Life** Insurance for over **Rs 3,900 crore** through an open market transaction.

Key points:

i.After the transaction, SBI Life's shares rose **3.22 percent** to settle at Rs 1,000.50 on the Bombay Stock Exchange (BSE).

ii. By the end of FY21, Carlyle Group held a 6 percent stake in SBI Life through its investment arm CA Emerald Investments.

iii. Vanguard, Abu Dhabi Investment Authority, Kuwait Investment Authority and Norges Bank were among the global institutional investors who bought shares.

iv.SBI Mutual Fund, HDFC Mutual Fund Franklin Templeton were among the domestic investors

About SBI Life Insurance:

It is a joint venture between the State Bank of India (SBI) and BNP Paribas Cardif. At the end of FY21, SBI held a 55.2 percent stake in the SBI Life Insurance, while BNP Paribas held 0.2 percent.

Establishment – October 2000
Headquarters – Mumbai, Maharashtra
Chairman – Dinesh Kumar Khara
MD & CEO – Mahesh Kumar Sharma
Tagline – With us, You're sure

HDFC BANK in Partnership With CSC Launched a ChatBot, 'EVA' for VLEs

On May 10, 2021, **HDFC Bank** and Common Services Centers (**CSCs**) announced the launch of a chatbot called **'Eva'** on CSC's Digital Seva Portal to support Village Level Entrepreneurs (**VLEs**).

Objective: To provide banking services to last-mile rural consumers.

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Uses of Chatbot – Eva:

i.Under Eva, the VLEs could become a Business Correspondent (BC) by getting access to the training content and taking a quiz before getting the certification.
ii.VLEs could learn about HDFC Bank's products and services, account opening, and loan in Eva.
iii. Around 1,27,348 VLEs were currently providing HDFC Bank's products and services in semi-urban and rural India.
iv. Among those VLEs, 15,791 are BC and they will help people to save through recurring and fixed deposits and enable them to avail themselves – home loans, car loans, tractor loans, and two-wheeler loans.
Note – Electronic Virtual Assistant (Eva) is India's first AI (artificial intelligence)-based banking chatbot, launched in 2017.

About Common Service Centres(CSC) e-Governance Services India Limited:

It is an Information and Communication Technologies(ICT) enabled front end service delivery point, formed under the National e-Governance Plan (NeGP), in May 2006 to offer web-enabled e-governance services for G2C (government-to-citizen) and other B2C (business-to-citizen).
Headquarters – New Delhi
Managing Director – Dinesh Tyagi

About HDFC Bank:

Establishment – 1994
Headquarters– Mumbai, Maharashtra
MD & CEO – Sashidhar Jagdishan
Tagline– We understand your world

Bajaj Finance got RBI's nod for PPIs

Bajaj Finance got authorization from the Reserve Bank of India (**RBI**) for the issuance and operation of **semi-closed** Prepaid Payment Instruments(**PPIs**) with perpetual validity.

- In Q4 FY21, Bajaj Finance's consolidated net profit jumped 42 percent to Rs 1,346.64 crore on a 5.2 percent decline in total income to Rs 6,854.94 crore when comparing with Q4 FY20.
- Bajaj Finance is a Non-Banking Finance Company(NBFC), which focuses on small and medium-sized enterprises (SME) lending, commercial lending, rural lending, fixed deposits, and value-added services.

About Prepaid Payment Instruments(PPI):

What is PPI?

PPIs are instruments that facilitate the purchase of goods and services, including financial services, remittances, funds transfers, etc., against the value stored in/on such instruments.

Who can issue PPI?

Companies that are incorporated and registered under the Companies Act, 1956 / Companies Act, 2013 in India can issue and operate PPIs after receiving authorisation from RBI.

Types of PPIs:

There are 3 types of PPIs – Closed System PPIs, Semi-closed System PPIs, and Open System PPIs

About Semi-closed System PPIs:

i.These are PPIs issued by banks (approved by RBI) and non-banks (authorised by RBI) for the purchase of goods and services, including financial services, remittance facilities, etc. These instruments **do not permit cash withdrawal**, irrespective of whether they are issued by banks or non-banks.
ii.3 Types of Semi-Closed System PPIs:

- PPIs up to Rs 10,000/- where minimum details of PPI holder are obtained (minimum-detail PPI)
- PPIs up to Rs 10,000/- with loading only from a bank account
- PPIs up to Rs 1,00,000/- where KYC of PPI holder is completed (full-KYC PPI)

About Bajaj Finance:

It is the third-largest non-banking finance company (NBFC) in India
Headquarters – Pune, Maharashtra
Chairman – Sanjiv Bajaj

Reliance Retail Became the World's 2nd Fastest-Growing Retailer – Deloitte

In the "2021 Ranking of Global retail powerhouses" by Deloitte, millionaire Mukesh Ambani's **Reliance Retail Ltd** has been ranked the **2nd fastest-growing retailer** in the world, which is 1 rank down from its 2020 rank (In 2020 it was ranked 1st).
Note – South Korea's **Coupang** is the World's 1st Fastest-Growing Retailers.

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List of Global Powers:

- In the report of the list of Global Powers, Retailing Reliance Retail Ltd was ranked **53rd** (ranked 56th in 2020's list) and it was the only Indian entry in the global list of 250 retailers.
- In the list of Global Powers of Retailing and World's Fastest Retailers, Reliance Retail took place consecutively for the 4th time.
- The list has 7 United States(US) retailers among the top 10 and 1 from the United Kingdom(UK) (Tesco PLC at 10th position).

Rank	Country
1	US giant Walmart Inc
2	Amazon.com Inc
3	Costco Wholesale Corporation of US
4	Schwarz Group of Germany.
53	Reliance Retail Ltd

About Reliance Retail Ltd:

i.In FY20, it recorded a 41.8 percent Year-on-Year (YoY) growth which was driven primarily by a 13.1 percent increase in the number of stores in its consumer electronics, fashion and lifestyle and grocery retail chains, to 11,784 stores.

ii. Reliance Retail is partnering with WhatsApp to further accelerate Reliance Retail's digital commerce business on the JioMart platform using WhatsApp and to support small businesses on WhatsApp.

About Deloitte:

Headquarters – London, United Kingdom

Global Chief Executive Officer – Punit Renjen

About Reliance RetailLtd:

It is a subsidiary of Reliance Industries Limited

Establishment – 2006

Headquarters – Mumbai, Maharashtra

Founder – Mukesh Ambani

ADB launches Asia Pacific Tax Hub to enhance International Tax Cooperation

The Asian Development Bank (ADB) has launched the 'Asia Pacific Tax Hub' to enhance International Tax Cooperation.

i.The Hub will create an open and inclusive platform for promoting strategic policy dialogue, improving knowledge sharing & strengthening coordination on tax policy and administration among ADB members and development partners.

ii. It will maximise the regional and international resources to strengthen domestic resource mobilisation and international tax cooperation among ADB's Developing Member Countries (DMCs).

Functions of the Tax Hub

i.The hub will support DMCs on **3 main building blocks** – Preparation of Medium-Term Revenue Strategies (MTRS), roadmaps for automation of tax administration, and proactive participation in International Tax Initiatives.

ii. Through the hub, ADB will

- Coordinate with the International Monetary Fund (IMF) to support DMCs to formulate MTRS.
- Conduct assessments to prepare roadmaps for automation of tax administrations in DMCs.
- Facilitate policy dialogue with the Organisation for Economic Cooperation and Development (OECD), and stimulate DMCs to participate in developing an Inclusive Framework on Base Erosion and Profit Shifting, and the Global Forum on Transparency and Exchange of Information for Tax Purposes.
- Apply financial instruments to promote domestic resource mobilisation, adoption of international tax standards and strengthen technology investment by revenue agencies.

iii.ADB will establish a Secretariat to operationalize the hub. It will also organize a Steering Committee to bring together key development partners.

iv. The hub will organise a first high-level conference by the end of 2021.

Nirmala Sitharaman participates in 54th Annual Meeting of ADB 2021

Union Minister of Finance & ADB's Governor for India Nirmala Sitharaman participated in ADB's 54th Annual Meeting 2021, which took place virtually from May 3-5, 2021.

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i.Nirmala Sitharaman highlighted the initiatives taken by India to fight COVID-19 in the Asia-Pacific region through the setting up of the SAARC (South Asian Association of Regional Cooperation) COVID-19 Emergency Fund.
iii. It also played a key role in global initiatives such as

- **Access to COVID-19 Tools Accelerator (ACT-A)**, a cross-discipline support structure to enable partners to share resources and knowledge
- **COVAX** – A worldwide initiative aimed at equitable access to COVID-19 vaccines

ADB's 5 Point Agenda

Ahead of the 54th Annual Meeting, ADB outlined an 5-point agenda to achieve lasting equitable recovery in Asia and the Pacific in the Post COVID-19 era.

- Placing climate actions at the centre of development
- Address inequality including the gender gap
- Promote high-quality green and digital infrastructure
- Deepen regional cooperation and integration
- Strengthen domestic resource mobilization

About Asian Development Bank (ADB)
President – Masatsugu Asakawa
Headquarters – Mandaluyong City, Manila, Philippines
Members – 68 (including India)
Establishment year – 1966

Muthoot Finance tie-up with NIRA to Provide Personal Loans

The **Muthoot Finance** Limited collaborated with **NIRA**, a Bangalore-based fintech start-up to strengthen its digital footprint and enhance the personal loans growth.

- **Loan Benefit under the partnership:** The salaried customers could avail personal loan up to **Rs 1 lakh** from Muthoot Finance through the **NIRA app** (downloadable from Google's Play store).
- NIRA fintech is offering small ticket personal loans to salaried customers of India's middle class. They offer loans to the low-income salaried class starting with an income of **Rs 12,000** per month onwards.

About NIRA:
Headquarters – Bangalore, Karnataka
CEO and Co-founder – Rohit Sen
About Muthoot Finance Limited:
Managing Director – George Alexander Muthoot
Headquarters – Kochi, Kerala

Federal Bank ties up with Mashreq Bank of UAE to offer money transfer

Federal Bank has entered into a strategic tie-up with **Mashreq Bank of UAE**, to facilitate money transfers from the UAE to India.
The partnership will support Mashreq's payment product "**QuickRemit**", which was launched in 2017.
Key Points:
i.As a result of the partnership, Mashreq customers can enjoy substantial savings as well as continue to send money instantaneously to India from the convenience of their home or office, from Mashreq's online and mobile banking channels.
ii. The agreement made Mashreq bank as the first bank in the UAE to offer instant and same day credit facility to so many places, including the UK, Singapore, Philippines, Australia, Canada, Sri Lanka and majority of European countries.

Note:

- Personal inward remittances to India has a market share of 17%.
- Federal Bank, a major player in the personal inward remittance space with around 90 remittance arrangements across the globe.

About Mashreq Bank:
Mashreq Bank has a presence in twelve countries across Europe, US, Asia and Africa. It is also the only privately-owned bank in the UAE.
Headquarter: Dubai,UAE
Chief Executive Officer(CEO): Ahmed Abdelaal
About Federal Bank
Federal Bank is a private sector bank Headquartered in Aluva,Kerala.

Establishment – The Bank was incorporated on April 23, 1931 and became a scheduled commercial bank under the Second Schedule of Reserve Bank of India Act, 1934 on July 20, 1970.
Managing Director(MD)& Chief Executive Officer(CEO): Shyam Srinivasan
Tagline: Your Perfect Banking Partner

CPP Invests Rs 1,005 cr in Indinfravit for an Additional 15.9% Stake

The Canada's Largest Pension Fund, Canada Pension Plan Investment Board (**CPP Investments**) acquired an additional **15.9 percent** of the total units in **IndInfravit Trust**, an infrastructure investment trust (InvIT), through 2 separate transactions, for Rs 1,005 crore (~173 million Canadian dollars).

- **About the deal:** CPP Investments has acquired **7 percent** of the units from Sadbhav Infrastructure Project, and **8.9 percent** from L&T Infrastructure Development Projects Ltd (L&T IDPL).
- After the acquisition, CPP's stake in IndInfravit increased from 27.9 percent to **43.8 percent**.

About IndInfravit Trust:

i.It is an irrevocable trust set up under the Indian Trusts Act, 1882.
ii. It was sponsored by L&T IDPL and it acquires and maintains stable brownfield road concessions in India.
iii.L&T IDPL is also the Investment Manager of the Trust and it is the Project Manager to the trust along with Sadbhav Infrastructure Project Limited.
iv. Currently it holds a portfolio of 13 operational road concessions across Karnataka, Maharashtra, Rajasthan, Tamil Nadu and Telangana. The roads have been operational, on average, for around 7 years.

About IndInfravit Trust:

- It is the **first private InvIT** formed in India

Headquarters – Chennai, Tamil Nadu
CEO – Pawan Kant

About CPP Investments:

Establishment – 1997
President & CEO – John Graham
Headquarters – Toronto, Canada

MMFS Extended the Date of Investment in Sri Lanka's Ideal Finance to September 30, 2021

Due to COVID-19, Mahindra & Mahindra Financial Services (**MMFS**) has extended the date of investment of the third and final tranche for the acquisition of shares of **Ideal Finance Ltd** (from its existing shareholders) to September 30, 2021.
Note – Ideal Finance Ltd, is a Sri Lankan non-banking financial company.

Background:

i.On August 20, 2019, a "Share Subscription, Share Purchase and Shareholders' Agreement" executed by MMFS with Ideal Finance and its existing Shareholders.
ii. As per the agreement, **58.20 percent** of the Equity Share Capital of Ideal Finance, has to be subscribed/ acquired by MMFS in one or more tranches, for an amount not exceeding Sri Lankan Rupee **200.30 crore** (~ $ 11.25 million, or Rs 80.77 crore) by March 2021.

About the Date Extension:

i.Both MMFS and Ideal Finance have mutually agreed to extend the date of completion of the acquisition of shares by 30th September 2021 (from March-end 2021).
ii. Till now, **38.20 percent** of the equity share capital of Ideal Finance was acquired by MMFS, to acquire the remaining shares from existing investors.

About Mahindra & Mahindra Financial Services (MMFS):

Headquarters – Mumbai, Maharashtra
Non-Executive Chairman – Anish Shah
Vice-Chairman & MD – Ramesh Iyer

About Ideal Finance Ltd:

Establishment – March 2012
Chairman – Nalin Welgama
Headquarters – Colombo, Sri Lanka
Director/CEO – Duminda Weerasekare

Geojit Partners with PNB to Provide 3-in-1 Account

Geojit Financial Services has entered into an agreement with the **Punjab National Bank (PNB)** to provide the advantage of a three-in-one account to the customers of PNB. (The Three Accounts are, Savings Account, Demat Account and a Trading Account).

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Note – Geojit had a similar tie-up with Oriental Bank of Commerce which, along with UBI, has now merged into PNB.

Key points:

- The new service gives all the customers who have a savings account with PNB, a PNB demat account and Geojit trading account.
- Saving and Demat accounts can be opened online in PNB. And the trading account can be opened online in 15 minutes without any paperwork.

Advantages of 3-in-1 account:

i.Investment in the capital markets can be done anytime anywhere

ii. Funds can be transferred in real time via the payment gateway facility from savings accounts to meet investment needs

iii. Insta Demat Facility can be availed through Internet Banking Services for instantaneous opening of Demat account digitally.

iv. Diversification of investments and management through one account

About Geojit Financial Services

Headquarters: Kochi,Kerala

Managing Director(MD) & Chief Executive Officer(CEO): C.J.George

About Punjab National Bank(PNB):

Establishment: May 19,1894(Commenced Banking Operation from 12 April, 1895)

Managing Director(MD) & Chief Executive Officer(CEO): S.S.Mallikarjuna Rao

Headquarters: New Delhi

Tagline: The name you can bank upon

SEBI Issued Disclosure Norms on BRSR Reporting for Top 1000 Listed Companies

On May 11,2021, under Section 11(1) of the Securities and Exchange Board of India(SEBI) Act, 1992 read with Regulation 101 of the Listing of Obligations and Disclosure Requirements (LODR), **SEBI** issued **new disclosure norms** over the Business Responsibility and Sustainability Report (**BRSR**), for the **top 1,000** listed companies (by market capitalisation) by **FY23**.

Objective: To enable businesses to be responsible and sustainable towards the environment and society.

What is BRSR?

BRSR is an initiative towards ensuring that investors have access to standardized disclosures on ESG parameters.Access to relevant and comparable information, will enable investors to identify and assess sustainability-related risks and opportunities of companies and make better investment decisions.

Background:

i.On November 04, 2015, SEBI has prescribed the format for the Business Responsibility Report (**BRR**)in respect of reporting on ESG (Environment, Social and Governance) parameters.

ii. On May 05, 2021, SEBI amended the Listing of Obligations and Disclosure Requirements (**LODR**) rules and decided to introduce new reporting requirements on ESG parameters called – **BRSR** (sustainability-related reporting).

Key points:

i.The change over from the existing BRR to BRSR will make sustainability reporting as good as financial reporting.

ii. In order to give time to adapt to the new requirements, the companies are allowed to report BRSR on a **voluntary basis for FY22** and it was made **mandatory from FY23**.

iii. Under BRSR the listed entities have to make disclosures on their performance against the 9 principles of the 'National Guidelines on Responsible Business Conduct'(**NGBRC**).

Regulations on the format of BRSR:

The companies' BRSR report should provide the disclosures regarding,

i.Environment-related disclosures – It should enclose the Resource usage (energy and water), air pollutant emissions, green-house (GHG) emissions, transitioning to a circular economy, waste generated and waste management practices, bio-diversity.

ii.The social-related disclosures – It has to cover the workforce, value chain, communities and consumers.

- The gender and social diversity of employees, including measures for differently-abled employees and workers, turnover rates, median wages, welfare benefits to permanent and contractual employees/workers, occupational health and safety and training also have to be included.

iii.At the community level the companies need to provide disclosures on social impact assessments (SIA), rehabilitation and resettlement and corporate social responsibility.

iv. Disclosures regarding the product labelling, product recall and complaints in respect of data privacy and cybersecurity (for customers) also need to be provided.

About Securities and Exchange Board of India (SEBI):
Establishment – 1992
Headquarters – Mumbai, Maharashtra
Chairman – Ajay Tyagi

Google Pay launches International Money Transfers for US users

Google Pay has launched International Money Transfers for its United States (US) users, it has launched the initiative in partnership with remittance firms – Wise, and Western Union Co.

- Using this feature, Google Pay users in the US can transfer money to Google Pay users in **India & Singapore**.
- Google is planning to expand the feature to around 80 countries through Wise, and around 200 countries through Western Union by the end of 2021.

Key Points

- The global remittances market is valued at around USD 470 Billion.
- Google Pay has 150 million users in 40 countries, and this initiative is seen as a step to expand its financial services offering, and increase competition in the digital payments sector.
- Wise is a London-based company which aims to make International money transfers cheaper and easier. The Western Union is the leader in global remittances.

About Western Union
CEO – Hikmet Ersek
Headquarters – Denver, Colorado, US
About Google
Headquarters– California, United States
CEO – Sundar Pichai

Farmizo Khata-Small Farm Accounting App by SBI Yono and Shivrai Technologies

Shivrai Technologies partnered with leading digital banking platform, **Yono SBI** to launch a B2C Farm accounting mobile application, **Farmizo Khata.**

- This free-of-cost application helps to make wiser purchase, harvest, and production decisions.
- This will allow them to focus on their costs incurred, as well as the bookkeeping of total profits that are in line.
- The aim to help farmers across the country to manage their accounts efficiently, thus cutting down on losses.

India's GDP to grow 7.5% in 2021, 10.1% in 2022: UN

In its mid-year report of the World Economic Situation and Prospects (WESP), United Nations(**UN**) has increased India's GDP growth forecast for the calendar year 2021 to **7.5 percent,** a 0.2 percent increase from its earlier projection (January 2021 projection – 7.3 percent) following a contraction of 6.8 percent (-6.8) in 2020.

- The report forecasted India's GDP to grow at **10.1 percent in 2022**, becoming the fastest-growing major economy in the world.
- United Nations has said that India will be the world's fastest growing major economy in 2022.

Key points about the Report:
i.The UN stated India's growth outlook of 2021 as "**highly fragile**" due to COVID-19.
ii. India's investment growth fell to 10.2 percent in 2021(3rd largest among the G20 Nations)
iii. The global economy is projected to expand by **5.4 percent** in 2021 following a sharp contraction of 3.6 per cent in 2020
iv. South Asia's economic growth is projected at 6.9 percent in 2021 against a 5.6 percent drop in 2020.

Points to be noted about UN:

- The UN was established on 24 October 1945, after World War II ended, with an aim of preventing further wars.
- The UN emblem shows two olive branches – **the symbol for peace**.
- The General Assembly is the main deliberative, policymaking and representative organ of the UN.
- The United Nations has set sustainable development goals for 2030, in order to achieve a better and more sustainable future.
- The name "United Nations" was coined by US President Franklin Delano Roosevelt.

About United Nation(UN):
Establishment – 24 October 1945
Headquarters – Newyork, United States
Members states – 193
Secretary-General – Antonio Manuel de Oliveira Guterres

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Nomura cut India's FY22 Growth Forecast to 10.8%; Crisil Forecasted at a range of 9.8 – 8.2%

Due to lockdowns under COVID-19, Nomura revised India's GDP growth forecast on May 11, 2021, for the FY22 fiscal to 10.8 percent from 12.6 percent following a contraction of 7.6 percent in FY21.

- It stated the further decline in the activity levels of India to 64.5% of the pre-pandemic levels.

About CRISIL's forecast on India's Growth:

CRISIL (Credit Rating Information Services of India Limited) has estimated India's growth estimation for FY22 to be 11 percent with a "risk firmly tilted downwards" under 2 Scenarios i.e. it estimated around **9.8 percent** growth in May-end and **8.2 percent** in June-end.

- It has retained the revenue growth estimate for India at 15 percent for FY22.
- Projected the CPI inflation to cool down to 5 percent in FY22.

About Nomura:

Establishment – 1925
President & Group CEO– Kentaro Okuda
Headquarter– Tokyo, Japan

About CRISIL (Credit Rating Information Services of India Limited):

CRISIL is an Indian analytical company providing ratings, research, and risk and policy advisory services
Estabishment – 1987
MD & CEO – Ashu Suyash
Headquarters – Mumbai, Maharashtra
Parent Company – Standard & Poor's (S&P) company

Moody's cut India's growth forecast for FY21 to 9.3%; Care Ratings cut GDP for FY22 to 9.2%

Moody's Investors Service revised India's growth forecast for FY21 to **9.3 percent** from 13.7 percent (February 2021's forecast).

- It has increased the growth projection for FY22 to **7.9 percent** from 6.2 percent.

Key points:

i.It has a 'Baa3' rating on India with a negative outlook, due to the barrier over economic growth, high debt and weak financial system due to COVID1-19.
ii. The rating agency also hiked its expected general government fiscal deficit to **11.8 percent of GDP** in FY22, compared with the previous forecast of 10.8 per cent.
iii. Moody's estimation is closer to the IHS Markit's growth prediction, which had predicted 9.6 per cent growth in FY22.

Care Ratings Cuts India's GDP to 9.2% for FY22:

The domestic rating agency, Care Ratings revised its GDP growth forecast for FY22 to **9.2 percent** from 10.2 percent.
i.This is the 4th revision by the rating agency in its GDP growth forecast for FY22 since March 2021.
ii. It has stated the growth of 3.3-3.5 percent in the agriculture sector, 9.5-10 percent in the industry sector, and 9-9.5 percent in the services sector.
iii. It projected a **10.2 percent** increase in the GVA (gross value added) from Rs 124.11 lakh crore (FY21) to Rs.136.82 lakh crore (FY22).
iv. Due to the lockdowns, it reported a 0.8-1 percent loss in GDP for FY22 (earlier estimation is 11-11.2 percent).

About Care Ratings:

Establishment – April 1993
Headquarters – Mumbai, Maharashtra
MD & CEO – Mr. Ajay Mahajan

About Moody's:

Headquarters – New York, United States
President &CEO – Rob Fauber

Bay Tree India Holdings sells over 2% stake in Yes Bank

Bay Tree India Holdings I, owned by Tilden Park has sold over **2 percent stake in YES Bank** through open market transactions.

- Bay Tree India Holdings I LLC now has a stake of **40 percent** in YES Bank.

Key Points:

i.Bay Tree India Holdings I LLC held 7.48 per cent stake in YES Bank earlier and sold 52.15 crore shares representing 2.08 percent of equity stake in multiple tranches between January 6 and May 6, 2021.
ii. In July 2020, a day ahead of its follow-on public offering ,Yes Bank garnered Rs 4,098 crore from anchor investors.

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iii. Last year Bay Tree was the largest anchor investor in Yes Bank having about 55% of the investor portion worth 22 billion rupees in $2 billion equity of YES bank.
iv. It's now the **second-largest single shareholder after State Bank of India**.

India received USD 83 Billion in Remittances in 2020, tops in Remittance Inflows: World Bank Report

According to Resilience COVID-19 Crisis Through a Migration Lens report released by the World Bank, India received **USD 83 Billion** as Remittances in 2020, a drop of just 0.2% from 2019 (USD 83.3 Billion in 2019). It topped the list of Low- and Middle-Income Countries with maximum Remittance Inflows, India was followed by China (USD 59.5 Billion), Mexico (USD 42.8 Billion).

- The officially recorded remittance flows to Low-and Middle-income countries reached USD 540 Billion in 2020, just 1.6% below 2019 total of USD 548 billion.
- Remittance outflow was maximum from the United States (USD 68 Billion), followed by UAE (USD 43 Billion), Saudi Arabia (USD 34.5 Billion).

Top 3 Countries with Remittance Inflows in 2020

Country	Remittance Inflow
India	USD 83 Billion
China	USD 59.5 Billion
Mexico	USD 42.8 Billion

Top 3 Countries with Remittance Outflows in 2020

Country	Remittance Outflow
US	USD 68 Billion
UAE	USD 43 Billion
Saudi Arabia	USD 34.5 Billion

Key Points

- China remittances dropped compared to its 2019 levels, in which it recorded USD 68.3 Billion.
- India's decline was due to a 17% drop in remittance from the United Arab Emirates (UAE).
- Remittances outflow from India in 2020 was USD 7 Billion, against USD 7.5 Billion in 2019.

Remittance in-flow of other countries in 2020

- Pakistan recorded remittance of USD 26 Billion in 2020, an increase of 17%.
- Bangladesh – USD 21 Billion, an increase of 18%.
- Remittance inflows increased by 5.2% in South Asia.

About World Bank
President – David R. Malpass
Headquarters – Washington DC, USA

PayPal Introduced Digital FIRA

PayPal, the Digital payments provider, introduced an automated process to receive monthly Foreign Inward Remittance Advice (**FIRA**) digitally, allowing Indian merchants to download their monthly **digital FIRA** issued by banks.
PayPal Target – This step is a part of PayPal's mission to reach net zero emissions by 2040.
Objective – The initiatives are aimed to empower Indian MSME exporters to grow their business internationally.

What is FIRA?

i.It is a key document for Indian MSME exporters and freelancers that establishes proof of receipt of export proceeds in foreign currency from outside the country.
ii. It will be issued by Indian banks and it is required by exporters of all sizes, individual or a business (such as a limited company, partnership firm, sole proprietorship firm etc).

Benefits under Digital FIRA:

i.The digital FIRA process will be issued at **zero cost** and it reduces time, saves money, removes friction, and eliminate the need to visit branches, thereby reducing the chances of the Covid-19.
ii. The monthly digital FIRA could be downloaded by merchants from their PayPal account. It enables Indian sellers to apply for bill closure and get tax benefits at a much faster rate.
iii. Once the FIRA is made available, the sellers will be notified via email.

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The change over:

i.Earlier Indian sellers and freelancers will send a **manual request** to PayPal's partner bank (with the **fee** for the service), then the bank will issue FIRA as a physical statement (take up to 10 days).

ii. The current digital FIRA initiative came after PayPal's partnership with FlexiLoans.com, a digital lending platform, to provide freelancers, women entrepreneurs, and sole proprietors in MSMEs with collateral-free business loans.

iii. In 2020, PayPal enabled exports worth Rs 10,000 crore for 3.6 lakh small exporters with a majority driven by tribal, artisan and women-led enterprises.

About PayPal:

Establishment – December 1998

President and CEO– Dan Schulman

Headquarters– San Jose, California

Eroute Technologies Gets PPI Authorization From RBI

The Reserve Bank of India (**RBI**), in exercise of the powers conferred on it under the **Payment and Settlement Systems Act, 2007**, grants authorization to **Eroute Technologies Private Limited** with perpetual validity for issuance and operation of semi-closed Prepaid Payment Instruments (**PPIs**) in the country.

- In January this year, the Eroute revealed plans to launch an **offline payments solution** based on the Unified Payment Interface (**UPI**) in India as a part of the first cohort of RBI's regulatory sandbox on retail payments.

Key points:

i.With this,Eroute Technologies can commence issuance and operational activities of semi-closed prepaid instruments with perpetual validity in India.

ii. Unlike neo banks and other bank-led fintech companies, Eroute Technologies can able to launch its payment solutions at scale independently.

iii.PPIs are instruments that facilitate purchase of goods and services, including financial services, remittances, and funds transfers, against the value stored in such instruments.

About Semi-closed system PPIs:

i.These payment instruments do not allow you to make a cash withdrawal, irrespective of whether they are issued by banks or non-bank institutions.

Eg: PPIs such as HDFC Bank's PayZapp and State Bank of India's YONO and non-bank PPIs such as Paytm and GPay are authorized by RBI for the purchase of goods and services, including financial services, payments, money transfer, remittance facilities, etc.

Background:

Last month, the RBI had allowed non-banking payment system operators of PPIs to become a direct member of the RBI operated of the centralised payment systems of RTGS/ NEFT transactions.

Benefits:

i.Besides, the full-KYC PPIs like wallets and prepaid cards are made interoperable, the outstanding balance in such instruments stands increased to Rs 2 lakh and cash withdrawals have been permitted through ATMs and points of sale.

ii. This will make non-bank issued PPIs almost at par with bank accounts which will boost digital financial inclusion, expansion to cater to the needs of the customers, including MSMEs, small traders and merchants.

About Eroute Technologies

Headquarters: Noida,UttarPradesh

Managing Director(MD) and Chief Executive Officer(CEO): Sanjeev Pandey

SEBI Amended AIFs, Added Start-up Definition; Mandated Dividend Distribution Policy for Top 1,000 Listed Companies

Securities and Exchange Board of India (**SEBI**) has amended the Alternative Investment Funds (**AIF**) norms called SEBI (AIFs) (Second Amendment) Regulations, 2021 on May 2021 to add – definition of Start-up for the investment by Angel Funds and regulations over the AIFs.

Amendments over the AIFs:

Definition of Start-up: It means a private limited company or a limited liability partnership which fulfils the criteria for a startup as specified by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

Exisitng Regulation	Amended Regulation
Definition of Venture capital(VC) undertaking: It means a domestic company, which is engaged in the business for	Definition of VC undertaking: It means a domestic company that is

providing services, production or manufacture of things and it prohibited sectors such as non-banking financial companies(NBF), gold financing, and activities not permitted under the industrial policy of Government of India.	not listed on a recognised stock exchange at the time of making investments Note – (Now the list of restricted activities or sectors from the definition are removed)
Category I and II AIFs investmen is capped at 25 percent in 1 Investee Company	Category I and II of AIFs investment is capped at 25 percent in an investee company directly or through investment in the units of other AIFs Note – (Rules have been broadened to include indirect holding through another AIF)
Category III AIFs should not invest more than 10 percent in an Investee Company	Category III of AIFs should not invest more than 10 percent in an Investee Company directly or through investment in units of other AIFs
Angel funds shall invest in "venture capital undertakings"	Angel funds shall invest in "startups"

SEBI has also stated the scope of responsibilities of managers and members of investment committees, and prescribed a code of conduct for AIF, trustee and directors of the trustee/directors of the AIF, manager, members of the investment committee and key management personnel of AIF and manager.

Click here to read the entire amendment

SEBI Mandated Dividend Distribution Policy for Top 1,000 Listed Companies:

To strengthen the corporate governance practices and disclosure requirements, SEBI has made it must for the top 1,000 listed firms to formulate a dividend distribution policy(**DDP**).

- The requirement for disclosure(s) of audio/ video recordings and transcript will be voluntary with effect from April 1, 2021 and mandatory with effect from April 1, 2022.

Key points:

i.It included the framework regarding the Risk Management Committee's (RMC) constitution, applicability, and role.

ii. Extended the requirement for formulation of DDP and RMC from top **500 listed** to the top **1,000 listed entities** on the basis of market capitalisation.

iii. Eased the norms for re-classification of a promoter as a public shareholder.

iv.RMC's meetings should be conducted on a continuous basis not more than 180 days.The RMC need to have minimum three members with majority of them being members of the board of directors, including at least one independent director.

v.SEBI has reduced the time gap between the date of board meeting and shareholders' meeting for consideration of reclassification request to a minimum of 1 month and a maximum of 3 months. (Existing – minimum 3 months and maximum of 6months)

On April 06,2021, Securities and Exchange Board of India (SEBI) modified its framework relating to the guidelines on contribution to set up Limited Purpose Clearing Corporation (LPCC) by Asset Management Companies (AMCs) of Mutual Funds(MFs).

About Securities and Exchange Board of India (SEBI):

Establishment – On April 12, 1992, in accordance with the SEBI Act, 1992.
Headquarters – Mumbai, Maharashtra
Chairman – Ajay Tyagi

Rs 455 Cr Raised by SBI Cards by Issuing Bonds

Rs 455 crore has been raised by **SBI Cards and Payment Services** (SBI Card) **by issuing bonds**.These bonds will offer coupons at **5.70 percent** per annum which will mature on May 10, 2024

- 4,550 unsecured Non-Convertible Debentures(NCD'S) that have a fixed-rate and are taxable and redeemable has been allocated by SBI cards

Key points:

i.Under this,NCDs with a face value of Rs 10 lakh each aggregating to Rs 455 crore on a private placement basis will be issued.

ii. And these bonds will be listed in the wholesale debt market segment of BSE(Bombay Stock Exchange) by SBI cards

About SBI Cards and Payment Services(SBI Cards):
Establishment: October 1998
Managing Director(MD) & Chief Executive Officer(CEO): Rama Mohan Rao Amara
Headquarters: Gurgaon,Haryana

Real Estate Fund SWAMIH to benefit 1.16 Lakh Home Buyers – FM Nirmala Sitharaman

Union Minister for Finance Nirmala Sitharaman has stated that the Real Estate Fund – '**Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund I**' will benefit 1.16 lakh home loan borrowers, whose housing projects were stalled due to funding issues.

i.On May 13, 2021, SWAMIH Fund Completed its **1st Residential Project**.

- The residential project – 'Rivali Park Wintergreens' is located in Mumbai, Maharashtra.
- It was also the 1st housing project in India to receive funding under the SWAMIH Fund.
- It was developed by CCI Projects Pvt Ltd (CCIPPL), an associate company of Cable Corporation of India Ltd.

SWAMIH Investment Fund I

Announced in 2019, It aims to provide last-mile funding to the stressed affordable and middle-income housing projects in India. SWAMIH is a category 2 Alternate Investment Fund (AIF).

- ✓ It is a **INR 25, 000 Crore** fund having 14 investors, with the Government of India holding 50% in the fund. Life Insurance Corporation of India (LIC), State Bank of India (SBI) each having 10%, and the rest with public and private sector players.
- ✓ Investment manager of the fund – SBICAP Ventures Ltd (SVL), while the Department of Economic Affairs under the Ministry of Finance administers the scheme.
- ✓ Under the fund, final approval has been given to 72 projects (containing 44, 100 homes) worth INR 6, 995 Crore, while preliminary approval has been given for 132 projects (72, 500 homes) worth INR 11, 581 Crores.

Criteria

- ✓ Houses which don't exceed 200 square metre of RERA (Real Estate (Regulation & Development)Act, 2016) carpet area.
- ✓ Houses priced less than INR 1 Crore in India (except Chennai, Mumbai, Kolkata, Pune, Hyderabad, Bengaluru & Ahmedabad).

Real Estate Sector

The Real Estate Sector plays an important role in India's economy.

- ✓ In 2019-20, the contribution of Real Estate to Indian economy was close to USD 200 Billion, it is expected that the sector's contribution to the economy would be around USD 1 Trillion by 2030.
- ✓ The contribution of the Real Estate sector to India's GDP is expected to be 13% by 2025.
- ✓ Presently Real Estate Sector is contributing 6-7% to the India's total Gross Domestic Product (GDP).
- ✓ It is the 2nd largest employment generating sector in India (after the Agriculture sector) providing jobs to 5 Crore people.
- ✓ FDI in Real Estate Sector – 100%.

About Ministry of Finance

Union Minister – Nirmala Sitharaman (Rajya Sabha – Karnataka)
Minister of State – Anurag Singh Thakur (Lok Sabha – Hamirpur, Himachal Pradesh)

Airtel Payments Bank Launched a Digital Platform for Gold Investment – 'DigiGold'

On May 13, 2021, **Airtel Payments Bank** in partnership with **SafeGold**, a digital gold provider, launched a digital platform called '**DigiGold'** – for its customers to make an investment in gold.

Features of DigiGold platform:

i.Under this, Airtel Payments Bank's saving account customers are enabled to invest in **24K gold** using the **Airtel Thanks app**.
ii.Storage: The gold purchased under the platform will be stored by SafeGold at **no additional cost**.
iii. Later it could be sold through the **Airtel Thanks app** at any time.
iv. Minimum Investment: There is **no** requirement of **minimum investment** value, the customers could start with as low as 1 rupee.
v.DigiGold could also be gifted by customers to their family/friends only if they have a savings account with Airtel Payments Bank.

Points to be Noted:

- This platform became a new addition to the Airtel Payments Bank's neo-banking, a part of simple, secure, and value-driven products.

- In line with RBI guidelines, Airtel Payments Bank increased its savings **deposit limit** to **Rs 2 lakh** and it offers an increased interest rate of **6 percent** on deposits between Rs 1-2 lakh.
- ***Note*** – A neobank is a type of digital bank without any physical presence and branches, in turn, it functions fully online.

About Airtel Payments Bank:

- It was India's **1st payment bank**.

Establishment – January 2017 (by Bharti Airtel)
Headquarters – New Delhi
MD & CEO – Anubrata Biswas

OneWeb partners with SoftBank to promote Satellite Communication Services

OneWeb (a venture backed by Sunil Mittal) has signed an Cooperative agreement with **SoftBank Group Corp**, a Japanese multinational holding company to promote its satellite communication services in the Global and Japan markets.

- The two entities will **promote satellite communication services** through a combination of OneWeb's satellite services & SoftBank's Digital Transformation (DX) platform services.
- They will also engage in technical and product development to enhance their competitiveness in these markets.
- The agreement encompasses obtaining regulatory approvals & **setting up of ground stations** in Japan.

Key Points

- On April 26, 2021, OneWeb successfully launched 36 satellites into Low Earth Orbit (LEO) constellation.
- It currently has 182 of the 648 planned LEO satellites of its constellation in space.
- Nettle Infrastructure Investments, a wholly-owned subsidiary of Bharti Airtel acquired 100% stake (10, 000 shares) in OneWeb India Communications Pvt Ltd.

About One Web

CEO – Neil Masterson
Executive Chairman – Sunil Bharti Mittal
Headquarters – London, United Kingdom

About SoftBank Group Corp

Chairman & CEO – Masayoshi Son
Headquarters – Tokyo, Japan

IOB Got Shareholders' nod for Rs 4,100 crore Infusion by Govt

On May 13, 2021, Indian Overseas Bank (**IOB**) obtained approval from its shareholders through an Extraordinary General Meeting (EGM) for the issuance of 246,54,23,932 equity shares to the Government of India (**GoI**) on a preferential basis for a capital infusion of **Rs 4,100 crores** by GoI in the bank.

Key Points:

i.After the capital infusion, the GoI's shareholding in IOB increased from 95.84 percent to **96.38 percent**.
ii. Out of Rs 4,100 crore an amount of Rs 2,465.42 crore will be credited to the share capital account and Rs 1,634.58 crore will be credited to the share premium account.
iii. The issue price of the equity share was Rs 16.63 per share (including a share premium of Rs 6.63 per share).
iv. The EGM was virtually attended by directors, shareholders and other stakeholders of the bank.

Background:

On March 31, 2021, GOI has infused Rs 14,500 crore ($1.98 billion) in 4 weak Public Sector Banks (PSBs) under Zero-Coupon Recapitalisation Bonds with maturities between March 31, 2031, and March 31, 2036. Out of the 4 banks, IOB was provided with 4,100 crores. Click here to know more

About Indian Overseas Bank (IOB):

Establishment – 10th February 1937
Headquarters – Chennai, Tamil Nadu
Tagline – Good people to grow with
MD&CEO -Shri Partha Pratim Sengupta

Groww Acquired Indiabulls MF for Rs 175 crore

Groww, an online investment platform, operated by Nextbillion Technology Pvt. Ltd made an agreement with Indiabulls Housing Finance Ltd (**IBHFL**) to acquire the mutual fund(MF) business of its subsidiaries Indiabulls Asset Management Company Ltd (**IAMCL**) and Trustee Company of IAMCL, for **Rs 175 crore** (including cash and cash equivalents of Rs 100 crore).

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- By this deal, Groww became one of the 1st fintech companies to enter the Rs 32-trillion Asset Management Business.
- Groww's agreement with Indiabulls MF will be limited only to the mutual fund part of the business, Alternate Investment Fund (AIF) and Portfolio Management Service (PMS) businesses will be demerged from the existing IBAMC structure, and remain under Indiabulls Housing Finance.

Background:

i.This agreement came after the Securities and Exchange Board of India(SEBI) eased the norms to become a Mutual Fund Sponsor through the SEBI (Mutual Funds) (Amendment) Regulations, 2021.
ii. Under which, SEBI allowed sponsors who do not fulfil profitability criteria at the time of making an application will also be considered to be eligible to sponsor a Mutual Fund(MF).
iii. The new sponsors need to have a net worth of not less than **Rs 100 crore** for the purpose of contributing towards the net-worth of the Asset Management Company (AMC) and his net worth of the AMC has to be maintained till the time AMC makes a profit for 5 consecutive years.
iv. The new amendments allowed new-age fintech companies and even private equity players to start a mutual fund. **Click here to know more**
Note – The existing sponsors of MF having a net worth of Rs 50 crore will continue and the amendments are made only for new players entering the mutual fund.

About Indiabulls Mutual Fund:

Indiabulls Mutual Fund has been established as a Trust with Indiabulls Housing Finance Limited
Headquarters – Mumbai, Maharashtra
Whole-time Director & CEO – Ambar Maheshwari

ADB committed USD 3.92 billion Loan to India in 2020 – Highest Annual Lending to India Since 1986

On May 14, 2021, the Asian Development Bank (**ADB**) has committed **$3.92 billion** in sovereign loans for 13 projects to India in 2020, including $1.8 billion in projects to support the Government of India's coronavirus disease (COVID-19) pandemic response.

- Since the start of its lending operations in 1986, this 2020 lending was ADB's **highest-ever annual lending** commitment to India.
- ***Note*** – ADB's current sovereign portfolio in India includes 79 projects worth $14.4 billion.

Lending against COVID-19:

i.ADB also committed $356.1 million through its non-sovereign operations to India, including 3 COVID-19 support projects to contain the disease and establish social protection measures for relief to the poor and other vulnerable groups.
ii. It also approved financing to help the government improve equitable access to comprehensive primary health care in urban areas.
iii. Further commitment – ADB is being ready to provide additional resources to address India's COVID-19-related challenges.

New projects committed in 2020:

i.Committed $500 million to build a modern, high-speed 82-kilometre Delhi–Meerut Regional Rapid Transit system corridor.
ii. Energy sector loans to strengthen distribution network in Maharashtra, Karnataka, Uttar Pradesh, and Meghalaya and to build a 120-megawatt hydroelectric power plant in Assam.
iii. In the urban sector, ADB approved loans for sustainable urban development in secondary and smaller towns in Rajasthan and Madhya Pradesh.
iv. Committed funds to support the Government of West Bengal's fiscal consolidation program.
v.Committed funds to support Tripura and Himachal Pradesh through its project readiness financing.

NABARD Provided Rs 1,236 crore from RIDF for Assam in FY21

The National Bank for Agriculture and Rural Development (**NABARD**) provided a record high amount of **Rs 1,236** crore from its Rural Infrastructure Development Fund (**RIDF**) of **FY21**, for the Rural Connectivity Projects (Roads & Bridges) in **Assam.**

- **Objective:** To improve the sustainable agriculture practices and double the farming community's income in Assam.

About NABARD's sanctions to Assam:

i.For creating new infrastructure projects, NABARD has also sanctioned **Rs 1150 crore** to the Government of Assam during FY21 under RIDF XXVI.

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Benefits under the infrastructure projects:

- The infrastructure projects in Assam will lead to creation of 610 km length of rural roads in the state-benefitting 1255 villages around 16 lakh people.
- It also led to 2472 hectare under irrigation, augmentation of infrastructure development of 2437 elementary schools and 23,397 hectares under flood protection.

ii.NABARD has sanctioned **Rs 1.40 crore** to grant assistance to 13 farm sector projects across, **Rs 85 lakh** for 36 Skill Development Programmes (focus attention to reverse migrant labourers), and **Rs 85 lakh** for establishment of 8 Rural Haats.

iii.NABARD provided an amount of **Rs 272 crore** to Assam Gramin Vikash Bank and Assam Cooperative Apex Bank Ltd. as Special Liquidity Facility (SLF) to address the liquidity constraints faced by Rural Financial Institutions (RFIs) due to Covid-19.

About RIDF:

i.It was set up by the Government in 1995-96 for financing ongoing rural Infrastructure projects and it is maintained by NABARD.

ii. Objective – To provide loans to State Governments and State-owned corporations to enable them to complete ongoing rural infrastructure projects.

About National Bank for Agriculture and Rural Development (NABARD):

Establishment – 1982 (on the recommendations of B. Sivaramman Committee)
Headquarters – Mumbai, Maharashtra
Chairman – Govinda Rajulu Chintala

About Assam:

Tribes of Assam – Chakma, Chutiya, Dimasa, Hajong, Garos, Khasis, Gangte, Karbi, Boro, Borokachari, Kachari, Sonwal, Miri, Rabha, Garo, etc.
Important Festivals – Bihu, Ambubashi, Ras Lila in Majuli, and Dehing Patkai

IDRBT Building Next Generation Digital Financial Infrastructure, NADI

The Institute for Development and Research in Banking Technology (**IDRBT**), an arm of the Reserve Bank of India (**RBI**), is building a next-generation Digital Financial Infrastructure named National Digital Financial Infrastructure (**NADI**).

- The NADI will be owned by the Government of India, with NADI's high-speed network, the government could monitor and control all financial activity, and it will also make security easier.

Features of NADI:

i.Its modern network infrastructure includes **5G/Edge Cloud** with SDNs (software-defined networking) for connecting to the critical data centre infrastructure at the back-end.

ii. It could protect the network from outside elements and quickly isolate the network in the event of counter-attacks by separating financial network traffic from other traffic with clear entry points.

iii. It will have the middleware infrastructure for supporting digital identity verification, digital identity assessment, and digital asset management with the support of efficient digital ledger technologies and AI/ML (Artificial intelligence and Machine learning) technologies.

iv. It would provide a roadmap and framework for future digital financial services growth in the country.

About Institute for Development and Research in Banking Technology(IDRBT):

Establishment – It was established by the RBI in March 1996
Headquarters – Hyderabad, Telangana
Director – D. Janakiram

Microsite to Support Employees amid COVID-19 Pandemic Launched by Bank of Baroda

Indian Public sector bank, **Bank of Baroda** recently launched a **Micro-website** that will serve as an emergency networking platform for all employees amid the second wave of COVID-19.

It provides Various data, like network of plasma donors to employees and Recovered employees can also enroll themselves voluntarily as donors.

Other facilities provided in this site are,

- External links for suppliers of necessities like oxygen cylinders, Remdesivir, plasma and hospital beds are also available on this site.
- Providing contact details of various SPOCs (single point of contact) across zones for help.
- Registration facility for employees to sign up for volunteer work in their cities.
- Reaching out under the "Need Help" section to request assistance for themselves or their families.

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PCHFL Received CCI Approval To Acquire DHFL

Piramal Capital and Housing Finance (**PCHF**), a subsidiary of Piramal Enterprises (**PE**), received approval from the Competition Commission of India (CCI) to acquire Dewan Housing Finance Corporation Ltd. (**DHFL**).

Background:

In February 2021, the Reserve Bank of India (**RBI**) approved the resolution plan of PE to acquire DHFL through PCHF with a total payment of around **Rs 35,000 crores**. Click here to know more

Key points:

i.PE also needs to obtain approval from the National Company Law Tribunal (**NCLT**) to acquire DHFL, as RBI referred DHFL to NCLT due to its 83,873 crore debt in November 2019.

Note – DHFL was the **1st** finance company to be **referred to NCLT** by the RBI using special powers under **Section 227** of the Insolvency and Bankruptcy Code(IBC), 2016.

ii.PE reported a net profit of Rs 748 crore during the Q4FY21, compared with Rs 807 crore in Q4FY20.

About Dewan Housing Finance Corporation Ltd.(DHFL):

Headquarters – Mumbai, Maharashtra

Administrator– Shri R. Subramaniakumar

Jana Small Finance Bank, launched a Feature – 'I choose my number'

In order to make banking to be simple and personalised, **Jana Small Finance Bank**, came up with a feature called **'I choose my number',** that allows its customers to choose their **favourite numbers** for their savings or current account.

- The bank customers can choose their favourite numbers as the **last 10 digits** of their bank account (savings/current) subject to the availability of the requested number.
- As per the bank, this added feature is intended to relate the customers closer to the bank as they choose their auspicious or lucky numbers.

In April 2021 India's Export rise to $ 30.63 billion; Trade Deficit rise to $15.10 billion

In May 2021, the Union Ministry of Commerce & Industry reported a 3-fold increase in **India's export** for the month of **April 2021**, to **$30.63 billion** from $10.36 billion of April 2020, due to healthy growth in sectors like gems and jewellery, and engineering.

Comparison between Exports and Imports in April 2020 and 2021:

	April 2021	April 2020
Trade deficit	$15.10 billion	$6.76 billion
Imports	$45.72 billion (3 fold increase)	$17.12 billion
Oil imports	$10.8 billion	$4.66 billion
Non-oil imports	$34.85 billion	$12.46 billion
Gold imports	$6.12 billion	$2.83 million

Key points:

i.Due to the low base effect in trade volumes in April 2020(because of COVID-19 induced lockdown), exports and imports in April 2021 recorded a growth rate of 195.72 percent.

ii. In March 2021, the exports grew by 60.29 percent to $34.45 billion as compared to April 2020, in which the exports had plunged by a record 60.28 percent.

iii.Commodities with positive growth: Gems and jewellery, jute, carpet, handicrafts, leather, electronic goods, oil meals, cashew, engineering, petroleum products, marine products, and chemicals were the export commodities that had positive growth in April 2021.

About Ministry of Commerce & Industry:

Union Minister – Piyush Vedprakash Goyal (Rajya Sabha, Maharashtra)

Minister of State (MoS)– Hardeep Singh Puri (Rajya Sabha, Uttar Pradesh), Som Parkash (Lok Sabha – Hoshiarpur, Punjab)

SEBI Proposed Framework for Regulated Gold Exchange in India – Electronic Gold Receipt

On May 17, 2021, the Securities and Exchange Board of India(**SEBI**) issued a Consultation Paper detailing the **Proposed framework for the Gold Exchange in India** and the draft **SEBI (Vault Managers) Regulations, 2021** for regulating the gold exchange-related business of the Vault Managers.

- The **Gold Exchange** instruments are termed as **"Electronic Gold Receipt" (EGR)**

- With annual gold demand of ~800-900 tonne, India is the **2nd** largest consumer of gold globally. (First – China)
- **Objective:** Gold exchange(EGR) is intended to 'one nation one price' of gold

Background:

In the budget of FY22 Finance Minister, Nirmala Sitharaman, announced SEBI as the regulator for the gold exchange of India. As per the announcement, SEBI was made as the regulator of the entire ecosystem of the proposed gold exchange including vaulting, assaying and gold quality and delivery standards.

Key points:

i.What is Gold Exchange?

Gold Exchange includes the entire ecosystem of trading and physical delivery of gold, and it would lead to transparent domestic **spot price** discovery, assurance in the quality of gold, and increase gold recycling in India.

ii.Working group:

SEBI constituted two working groups (involving stakeholders) to implement the gold exchange framework.

- The first working group was set to recommend a suitable framework for trading gold on the exchange platform and settlement by Clearing Corporation(CC).
- The Second Working Group was set to understand the Gold ecosystem in India and suggest measures for setting up the Gold Exchange including Regulations for Vault Managers.

iii.What is Bullion Market?

A bullion market is a place where **exchanges of gold and silver** take place. It transacts gold and silver at market spot prices. (The London Bullion Market is the primary bullion market for global trading).

Recommendations of the Working group:

i.The entire transaction in the Gold Exchange is divided into 3 tranches as follows:

- **First Tranche:** Conversion from Physical Gold to EGR (Suggested an interface between the vault managers, depositories, stock exchanges and CC)
- **Second Tranche:** Trading of EGR in stock exchange/s (depositories (that hold EGRs in Demat), stock exchanges, and CC will clear the trade)
- **Third Tranche:** Conversion from EGR to Physical Gold (The beneficial owner will have to surrender the EGR to obtain the physical gold)

Note – Like shares, EGRs will be held in Demat form and can be converted into physical gold when needed.

ii. Under Universal Exchange, the existing stock exchanges may be allowed to deal in EGR either through a separate segment or as a new asset class in the existing segment.

- In October 2018, SEBI allowed "Universal Exchange" wherein stock exchanges were allowed to deal in both equities and commodities.

iii.Product denomination for trading and conversion of EGR into physical gold:

- EGR of 1 kg, 100 grams and 50 grams denomination may be available with the stock exchange/s.
- Trading: The EGRs of 1 kilogram, 100 grams and 50 grams denomination should be available for trading of EGR and conversion of EGR into physical gold and smaller denominations(SD) such as 10 grams and 5 grams may also be allowed for trading.
- Conversion of SD of EGRs into physical gold, will be permitted only when the beneficial owner has at least 50 grams (or multiples thereof) of physical gold in the form of EGRs.

iv. Suggested to make EGR fungible with interoperability between vault managers.

About Securities and Exchange Board of India (SEBI):

Establishment – On April 12, 1992, in accordance with the Securities and Exchange Board of India Act, 1992.
Headquarters – Mumbai, Maharashtra
Chairman – Ajay Tyagi

PayPoint India tie-up with Digit General Insurance for Health Insurance to Rural Areas

PayPoint India made a partnership with **Digit General Insurance** to provide affordable **COVID-19 Health Insurance policy** to its customers in India's underserved regions to improve the insurance access and assist the rural people in recovering themselves from financial losses due to the COVID-19.

- The partnership is being flagged off with the launch of a Coronavirus hospitalisation insurance policy that covers treatments up to Rs 2 lakh at a premium of Rs 799.

Premium and Benefits of the Health Insurance:

i.Post 24-hour ICU or HDU hospitalization, the COVID-19 hospitalization insurance policy offers a minimum of **Rs. 1 lakh** at a premium rate starting as low as Rs 487.

ii. The policy offers options of choosing a sum insured of **Rs 1 lakh or Rs 2 lakh** for individuals up to **65 years** of age. It is available at PayPoint stores across India.

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iii. The insurance covers pre-hospitalisation expenses for up to 30 days, post-hospitalisation expenses up to 60 days, road ambulance charges (one percent of the sum insured – up to ₹5,000).
iv. The policyholder could avail of the Cashless claims by displaying the e-health card at the network hospitals.
v.Digit General Insurance will be selling this policy online while PayPoint will be offering offline access and assistance to its clients.
vi. Digit General Insurance, stated as more than 80% of people in urban India and 85% of people in rural India do not have health insurance.

About Digit General Insurance:
Headquarters – Bangalore, Karnataka
Chairman – Kamesh Goyal
CEO & Principal Officer – Vijay Kumar

About PayPoint India:
Headquarters – Mumbai, Maharashtra
MD – Ketan C. Doshi

Edelweiss General Insurance Launched Digital Partner Onboarding Solution – IPOS

On May 18, 2021, Edelweiss General Insurance(**EGI**), an InsurTech start-up has launched, Integrated Partner Onboarding Solution **(IPOS)** an **industry-first** digital end to end partner onboarding solution.

- **Objective:** To digitise a partner's journey efficiently.

Features of IPOS:
i.IPOS is an onboarding solution for all its existing and prospective partners including Agents, Brokers and Web Aggregators.
ii. This unified, fully automated portal is dedicated to all partner-related onboarding requirements and it has multiple features like easy visualisation capabilities and a built-in learning system where partners can take up practice tests.
iii. The solution with easy to use interface, will enable the sales workforce to create or upload any number of prospects in real-time along with the ability to monitor, approve and digitally process them with greater efficiency.

About Edelweiss General Insurance:
It is a member of the Edelweiss Group
Headquarters – Mumbai, Maharashtra
Executive Director & CEO – Shanai Ghosh

India's WPI Inflation Jumps to 11-year High in April 2021-10.49%

As per the data released by the **Ministry of Commerce & Industry** on May 17, 2021, India's annual rate of **inflation** (YoY), based on monthly **WPI** (Wholesale Price Index) accelerated to **10.49 percent** in April 2021, (the **highest since April 2010**) from 7.39 percent in March 2021 due to a hike in prices of food items, manufactured goods, fuel, and power.
Note – April 2021's WPI inflation is the first double digits WPI in almost a decade.

Key points:
i.India's Consumer Price Index (CPI) based retail inflation eased to a three-month low of 4.29 percent in April 2021.
ii. Core inflation (excluding food and fuel prices) also increased to 8.4 percent in April 2021.

WPI Inflation rate comparison:

Commodities	YoY inflation rate April 2021	YoY inflation rate March 2021
All commodities	10.49 percent	7.39 percent
Primary products inflation	10.16 percent	6.40 percent
Food inflation	4.92 percent	3.24 percent
Fuel & Power inflation	20.94 percent	10.25 percent
Manufacturing Products inflation	9.01 percent	7.34 percent

About Ministry of Commerce and Industry:
Union Minister– Piyush Vedprakash Goyal (Rajya Sabha, Maharashtra)
Minister of State (MoS)– Hardeep Singh Puri (Rajya Sabha, Uttar Pradesh), Som Parkash (Lok Sabha – Hoshiarpur, Punjab)

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4th India-Swiss Financial Dialogue Held Virtually in New Delhi

The **4th India-Swiss Financial Dialogue** was held Virtually from **New Delhi,India**. Indian delegation was led by the **Economic Affairs Secretary Ajay Seth**, while his counterpart was Ms. Daniela Stoffel, State Secretary for International Finance, Switzerland.

Key points:

- Both the delegation shared their experiences on aspects including investments, International Financial Services Centre Authority (IFSCA), National Investment and Infrastructure Fund (NIIF) and cross border financial services.
- The matters relating to G20, International Monetary Fund (IMF) and tax challenges arising from the digitalization of the economy was also discussed along with infrastructure financing.

Proposal for Changing Promoters to Person in Control, Rationalizing Promoters Group: SEBI

As the concept of promoters is losing its relevance in India, the Securities and Exchange Board of India(**SEBI**) reviewed the regulatory framework of the promoter, promoter group and group companies as per SEBI (Issue of Capital and Disclosure Requirements(**ICDR**)) Regulations, 2018 with certain proposals.

SEBI's proposal:

- The shifting of the concept of 'promoter' to 'person in control'
- Rationalization of the definition of 'Promoter Group'
- Reduction in lock-in period for minimum Promoters' Contribution

a.The shifting of the concept of 'promoter' to 'person in control':

i.Definition of Promoter: Companies Act, 2013 and SEBI (ICDR) Regulations, 2018 define a "**promoter**" as a person who has been named as such in the offer document or in the annual return of the issuer or a person who has control over the issuer (directly or indirectly) or in whose advice, directions or instructions the board of directors of the issuer is accustomed to act.

ii.SEBI stated the definition of the promoter is wide-ranging and goes beyond persons in control of the issuer and proposed the shifting of the concept of a promoter to a person in control.

Need for shifting:

- Due to the changes in the investor landscape in India and the emergence of new shareholders such as private equity and institutional investors, the concentration of ownership and control rights does not vest completely in the hands of the promoters or the promoter group.
- The relevance of the concept of the promoter was also reduced due to the increased focus on the quality of the board and management.

b.Rationalization of the definition of 'Promoter Group'

i.According to the Regulation 2(pp) of the ICDR 2018 of the SEBI, **Promoter group** is a group of individuals or companies or combinations thereof acting in concert, which holds 20 percent or more of the equity share capital in that body corporate

ii.SEBI mentioned the definition of the 'promoter group' as focusing on capturing holdings by a common group of individuals or persons and often results in capturing unrelated companies with common financial investors, hence removing it.

c.Reduction in lock-in period for minimum Promoters' Contribution

i.The current lock-in period of **3 years** for minimum promoters' contribution (20 percet) has been proposed to **reduce to 1year** – Only in the case if the objective of the issue is concerning offer for sale or something related to financing, other than for capital expenditure for a project.

ii. Promoters' holding **above** minimum promoters' contribution to be locked in from the date of allotment in the Initial Public Offer(**IPO**) is changed from **1 year to 6 months**.

iii. The entire pre-issue capital held by persons other than the promoters shall be locked in for 6 months from the date of allotment in the initial public offer (existing requirement is 1 year)

Note – IPO is the selling of securities to the public in the primary market.

About Securities and Exchange Board of India(SEBI):

Establishment – On April 12, 1992, under SEBI Act, 1992.
Headquarters – Mumbai, Maharashtra
Chairman – Ajay Tyagi

Govt to Raise Rs 4,000 crore via Sale of 58 million shares in Axis Bank

The government(govt) sold **58 million shares** in Axis Bank, which is held through the Specified Undertaking of the Unit Trust of India (**SUUTI**) to raise around **Rs 4,000 crore**.

- The shares are sold through the offer for sale (OFS) route. The OFS was made open for non-retail investors on May 19, 2021, and for retail investors on May 20, 2021

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- **35 million shares/ 1.21 percent** stake in Axis Bank was sold by govt as a base offer and the remaining **22 million shares/0.74 percent** stake was sold under a **green-shoe option**. The floor price for the stake sale has been fixed at Rs 680 apiece.

Key points:

i.On December 31, 2018, SUUTI held a 9.56 per cent stake in Axis Bank, and it was reduced to 3.45 percent as of March 31, 2021.
ii.SUUTI sold 6.14 million shares of Axis Bank in December 2021 to raise Rs 374 crore for the govt, and in November 2021 it had sold 3.6 million shares for Rs 221.47 crore.
iii. In budget FY22, govt has set a target of Rs 1.75 lakh crore from disinvestments and strategic sales for FY22, and set to privatise 2 public sector banks and one general insurance company during FY22.
iv. Under which, it is planning IPO of Life Insurance Corporation and it has also announced the sale of Bharat Petroleum Corporation.
v.In May 2021 The Cabinet Committee on Economic Affairs approved the disinvestment and transfer of management control in the Industrial Development Bank of India (IDBI Bank).
Note – **Green shoe option** is an option that allows companies to intervene in the market to stabilise share prices during the 30-day stabilisation period immediately after listing. The issuer company uses it during the initial public offer(IPO) to ensure that the shares price on the stock exchanges does not fall below the issue price after the issue of shares.

About Axis Mutual Fund:

Headquarters – Mumbai, Maharashtra
MD & CEO – Chandresh Kumar Nigam

Kotak Mahindra Bank Buys 46.7% stake in Kotak Mahindra Pension Fund

On 17th May 2021,Private lender **Kotak Mahindra Bank acquired 1.3 crore shares i.e., around 46.7% equity of Kotak Mahindra Pension Fund Limited**(KMPFL) from Kotak Mahindra Asset Management Company Limited(KMAMC).

Cost of acquisition:

The cost of acquisition is **Rs 12.71 crore** and the acquisition price has been arrived at on the basis of a valuation conducted by an independent chartered accountant firm.

Authorisation:

The acquisition was approved by the **Reserve Bank of India (RBI)** and the **Pension Fund Regulatory and Development Authority (PFRDA)**.

Share Percentage:

- With this stake purchase, Kotak Mahindra Bank has **51 percent** stake in KMPFL.
- And KMAMC has a **49 percent** stake in KMPFL.

KMPFL has been appointed as a Pension Fund Manager by PFRDA for managing funds under the National Pension System.

Note:

Kotak Mahindra Pension Fund was a direct subsidiary of Kotak Mahindra Asset Management and after the deal it's now a direct subsidiary of Kotak Mahindra Bank.

About Kotak Mahindra Bank:

Managing Director(MD) and Chief Executive Officer(CEO): Uday Kotak
Headquarters: Mumbai, Maharashtra
Tagline: Let's Make Money Simple, Ab Kona Kona Kotak

CCI Approved – GPL to Acquire 100% Stake of YES AMC, YES Trustee; Adani port to Acquire 25% Stake of Krishnapatnam Port

On May 18, 2021, the Competition Commission of India (**CCI**) approved the acquisition of **100 percent** equity shares of YES Asset Management Company (AMC) (India)(**YES AMC**) and YES Trustee Limited (**YES Trustee**) by GPL Finance and Investments Limited(**GPL**).

- YES AMC and YES Trustee were the wholly-owned subsidiaries of YES Bank.
- Through these acquisitions, GPL will acquire **Yes Mutual Fund** and become its sole sponsor and it marks the exit of the YES bank from the mutual fund market.

About GPL Finance:

GPL is part of the White Oak Group, and it is a non-deposit taking and non- systemically important Non-Banking Financial Company(NBFC), it is primarily engaged in the business of making investments in mutual funds. (White Oak Investment Management Private Limited owns 99 percent of GPL)

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About YES Bank:
Establishment – 2004
Headquarters – Mumbai, Maharashtra
MD & CEO – Prashant Kumar
Tagline– Experience our Expertise

V Muraleedharan represents India at Summit on the Financing of African Economies 2021

Minister of State for External Affairs V Muraleedharan virtually represented India at the **Summit on Financing of African Economies 2021** held at Paris, France on May 18, 2021. The event was held in a hybrid format (mix of in-person meetings & Video conferences) and was hosted by France.

- **Objective** – To arrange **financial resources for reviving the economy of African Continent**, which has been affected by COVID-19.
- Representatives from countries like Congo, Spain, Portugal, Egypt, Ethiopia and others participated. Also, International public banks such as International Monetary Fund (IMF), World Trade Organisation (WTO), United Nations, World Bank participated in the meeting.
- During the meeting, French President, Emmanuel Macron agreed to work towards persuading rich nations by October to **reallocate $100 billion** in IMF special drawing rights monetary reserves to African states.

India's Address

i.V Muraleedharan highlighted several steps taken by India to help the African Continent.

- During the COVID-19 pandemic, India has gifted 150 tonnes of medical aid to 25 Countries in the Continent.
- Under the "**Vaccine Maitri**" initiative, India supplied 24.7 million doses of Indigenous COVID-19 vaccines as grants, and commercial and COVAX supplies to 42 countries in the continent.
- At present there are around 89 projects across 41 countries in Africa, which are being implemented with Indian concessional credit.
- Several Digital innovations have emerged from India-Africa partnership, one example is the e-Vidhya Bharti and e-Aarogya Bharti (e-VBAB) network project.

ii. During the 3rd India-Africa Forum Summit held in October 2015, India offered USD 600 million as grant, and concessional loans worth USD 10 Billion for development projects.

- Out of this more than USD 6.4 billion of loans have been sanctioned.

Africa's Economic Scenario

i.At the current rate of economic growth, the African continent may experience its First recession in 25 years in 2021.

- In June, 2021, the IMF will decide on granting the Special Drawing Rights (SDR) issue of USD 650 Billion, which includes USD 34 Billion for Africa & USD 24 Billion for sub-Saharan Africa.
- More SDR means that the lending capacity of the African Continent increases (in International Public Banks).

ii.IMF has estimated that the African continent needs additional financing of upto USD 285 Billion during 2021-25 to step up the response to COVID-19 pandemic.

HSBC India Launches 1st of its Kind DBS 'HSBC SmartServe' & 'HSBC IntelliSign'

HSBC India has launched first-of-its-kind Digital Banking Solution(DBS) called '**HSBC SmartServe'** and '**HSBC IntelliSign'** to provide a quick, secure and seamless on-boarding process for its corporate customers.

Key points:

i.Both the API (Application Programming Interface) enabled solutions are intending to replace the documentation process with a digital platform.
ii.HSBC SmartServe is a digitised account on-boarding and life cycle management solution, with a single interface it provides clients with a fully automated on-boarding solution, where they can submit data and documents directly and securely, in addition to receiving confirmations and alerts.
iii.HSBC IntelliSign is the solution that enables corporate clients to lend documents digitally and it also offers an E-stamp duty feature and E-signature solutions based on Aadhaar e-verification and DSC signing as per legal provisions in India.

About HSBC India:
Establishment – 1853
Headquarters – Mumbai, Maharashtra
CEO – Surendra Rosha

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India Became the 2nd Largest Insurtech Market in Asia Pacific Region – S&P Global Report

S&P Global Market Intelligence reported **India** as the **2nd largest insurance-technology** (insurtech) market in **Asia-Pacific**(AP) region after **China**, as it accounts for **35 percent/$1.28 billion** of the total venture capital ($3.66 billion) poured into the insurtech sector in the AP region so far.

About the S&P Global's report:

Key points:

i.Around 335 private insurtechs are operating in AP, in which 122 of them disclose fundraise, to a total of **USD 3.66 billion**. Almost half of the insurtechs are headquartered in India and China and have collectively attracted about 78 percent of the total investment.

ii. The report stated India as the world's **3rd largest startup ecosystem**, as it has at least 66 insurtech startups.

Report on Insurance tech investment in India:

i.As per the report, Insurance premiums in India for the FY20, summed up to **$107 billion**, after growing at a compounded annual growth rate (CAGR) of **10 percent** between FY15 and FY20.

ii. Insurance technology investors are attracted to India, as it is one of the fastest-growing insurance markets globally.

Note – The report noted big technology companies like Tencent Holdings, Ant Group Co Ltd, Amazon.com Inc and Grab Holdings Inc to influence the insurtech ecosystem in the AP region.

About S&P Global:

Headquarters– New York, United States.

President and CEO – Douglas L. Peterson

IDBI Bank Launches Digital LPS for MSME, Agri Borrowers

IDBI Bank Limited announced the launch of its **fully digitised, end-to-end, Loan Processing System (LPS)** for its **Micro, Small & Medium Enterprises(MSME) and Agri products.**

Aim:

To provide a superior tech-enabled banking experience to the MSME and agri customers.

Features:

i.Has a total of more than 50 product lines.

ii. Seamless credit lifecycle with over 35 interface touch points to many satellite systems.

iii. Integration with the existing core database, human resource management system, and various other applications of the Bank.

iv. Improved turn-around time to enhance the customer experience.

v.This new loan processing system also seamlessly integrates with

- Data fintechs
- Bureau validations
- Document storage/retrieval
- Account opening/management

The platform is designed to incorporate knock-off criteria & credit policy parameters for superior underwriting standards.

About Industrial Development Bank of India (IDBI):

Chairman: MR Kumar

Managing Director(MD) and Chief Executive Director(CEO): Rakesh Sharma

Headquarters: Mumbai, Maharashtra

Tagline: Bank Aisa Dost Jaisa

Report on SSE by SEBI's TG: Not Allowed Political, religious firms for SSE

A technical group(TG) under the chairmanship of **Harsh Bhanwala** on Social Stock Exchanges (**SSEs**), constituted by the Securities and Exchange Board of India (**SEBI**), has recommended **not to allow** the political and religious organizations, trade organizations, corporate foundations, infrastructure and housing companies (except affordable housing) to **raise funds** using SSE mechanism.

Background:

i.SEBI had constituted a TG on SSE in September 2020 under the chairmanship of **Harsh Bhanwala**, former chairman of NABARD.

ii. The TG made recommendations relating to – permitting participation of Social Enterprises on SSE, minimum reporting requirements, possible means/ mechanisms of raising finance etc.

Note – Before this, a Working Group (WG) on the SSE, chaired by **Ishaat Hussain**, submitted its report in June 2020.

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Recommendations of the TG over SSE:

i.The TG suggested to **allow** the Non-Profit Organization(**NPO**) and For-Profit Social Enterprise (**FPE**) that is having social intent and impact as their primary goal as the Social Enterprises (SE) to participate in SSE.

Eligibility for the SE:

- The SE should be engaged in at least one of the 15 broad eligible activities and should target underserved/less privileged population segments or regions.
- SE should have at least **67 percent** of its activities qualifying as eligible activities to the target population

ii.TG recommended different modes of fundraising for NPOs and FPE:

- NPOs fundraising mode- through equity, zero-coupon zero principal bond, development impact bonds, social impact fund currently known as social venture fund (SVP) with 100 percent grants-in grants out provision, and donations by investors through mutual funds.
- FPEs fundraising mode- through equity, debt, development impact bonds, and social venture funds.
- TG has recommended prior registration of NPOs with SSE before fundraising.

iii.TG included a list of eligible activities that SE can engage in, such as eradicating hunger, poverty malnutrition and inequality, promoting gender equality by empowering women, etc.

iv. To boost investor participation in SVP- the Sebi panel has recommended that the minimum corpus size for such funds be reduced from Rs 20 crore to Rs 5 crore and the minimum subscription amount be reduced from Rs 1 crore to Rs. 2 lakh.

v.The SVP will fall under category-I Alternative Investment Fund (AIF) and will allow 100 per cent grants-in and grants-out.

vi. The TG has recommended that the capacity building fund for SSE should have a corpus of Rs 100 crore. **This fund should be housed under Nabard.**

	Exchange	**Instrument**	**Disclosures**
For Profit	Interior Gateway Protocol (IGP), SME (Small and Medium Enterprises) exchange, National Stock Exchange (NSE), Bombay Stock Exchange (BSE) (Main Board)	Equity, Debt, Development impact bonds, SVPs	Social Impact Reporting
Not For Profit	Separate segment under the existing stock exchange	Equity, Zero-Coupon Zero Principal (ZCZP), Mutual Funds (MFs),SVPs, Development Impact Bonds(DIBs)	Social Impact reporting & other disclosure requirements of exchange

About SSE:

i.SSE is a platform for listing social enterprise, voluntary and welfare organisations to raise capital.

ii. Social enterprise(SE) could be a non-loss, non-dividend paying company created and designed to address a social problem.

BSE, Dun & Bradstreet India Partners to Promote MSME Growth

Leading stock exchange **Bombay Stock Exchange(BSE) has signed a memorandum of understanding (MoU) with Dun & Bradstreet Information Services India** to create an ecosystem for promoting, aiding and fostering the growth of **Small and Medium Enterprises(SME).**

Objective:

i.To accelerate SME growth.

ii. To help the government in achieving the GDP contribution target of 50% of GDP by FY 2025.

Key points:

i.This partnership will help SMEs in India to

- Increase their visibility,
- Expand access to global markets,
- Find potential customers,
- Uncover new suppliers and channel partners
- Manage risk
- Identify growth opportunities

ii. Under this partnership, Dun & Bradstreet will provide business information services at a special price to SMEs and startups who are currently listed on BSE SME & Startups platform, or expected to be listed

iii. Access to Dun & Bradstreet"s suite of data and analytics solutions will also be provided to Indian SMEs through BSE SME and start-up platform.

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iv. Customised training and certification programmes are also provided to help SMEs navigate the ever-changing global business environment.
v.Events will be organised to create awareness about products and services of BSE and Dun & Bradstreet India among SMEs
Note:
In 2012, BSE launched its SME platform and so far 337 companies listed on the platform have raised Rs 3,498 crore from the market and the total market capitalisation of 337 companies is over Rs 25,000 crore.Out of 337 firms, 99 companies have migrated to BSE mainboard.

- BSE is the market leader in this segment with a market share of **61 percent**.

About Dun & Bradstreet India:
Dun & Bradstreet India is a leading global provider of B2B data, insights and AI-driven platform.
Managing Director(MD) and Chief Executive Director(CEO): Avinash Gupta
Headquarters: Mumbai,Maharashtra
About BSE:
Establishment– 1875
Subsidiaries– Indian Clearing Corporation Limited, BSE Institute Ltd, and BSEIL
Equity index– S&P BSE SENSEX
Managing Director(MD) and Chief Executive Director(CEO)– Ashishkumar Chauhan
Headquarter– Mumbai, Maharashtra

SBI tie-up with HyperVerge – for Onboarding Customer Online under COVID-19

State Bank of India(**SBI**) made a partnership with **HyperVerge** to obtain its technology called '**Video KYC solution'** for onboarding customers online under COVID-19.

- Video KYC solution will be used by SBI to achieve the 10x improvement over the regular video KYC checks performed per day per agent.

About Video KYC solution:
i.HyperVerge's Video KYC solution is assisted with a high accuracy level of 99.5 percent will enable SBI to provide convenient digital banking services to citizens of India.
ii. The Video KYC solution is 100 percent compliant with Reserve Bank of India(RBI) regulations and can be supported on multiple platforms. (It helps financial institutions as it saves the cost and time in sending agents to physically visit a customer's residence).
iii. Comparison: Under regular e-KYC, the manual checks by an agent will take 25 mins, inturn the video KYC solution could complete the entire flow within 5 mins.
iv. The solution performs pre-qualifier checks such as name, address, XML signature, schedules video calls that have high throughput, and also performs simple randomization and AI-driven Liveness, OCR, and Facematch.
Full power YONO Savings Account:
i.SBI launched a full power YONO Savings Account that can be opened instantly with Video KYC in 4 simple steps to support the customers under COVID-19
ii. This new service will offer complete paperless and instant digital savings account opening experience with just PAN and Aadhaar card.
About State Bank of India(SBI):
Establishment – 1st July 1955
Chairman – Dinesh Kumar Khara
Headquarters – Mumbai, Maharashtra
Tagline – The Banker to Every Indian

Priyadarshini Mahila Nagari Sahakari Bank was Imposed Rs 1 lakh Penalty by RBI

Maharashtra's Priyadarshini Mahila Nagari Sahakari Bank was imposed Rs 1 lakh penalty by the Reserve Bank of India (RBI) for violation of certain directions under the Supervisory Action Framework.
The penalty has been imposed in exercise of powers vested in RBI under the provisions of Section 47 A (1) (c) read with Section 46 (4) (i) and Section 56 of the Banking Regulation Act, 1949, taking into account the failure of the bank to adhere to the aforesaid directions issued by RBI.

Kotak Mahindra Bank Became 1st Bank to Issue FPI license to AIF under GIFT IFSC

Kotak Mahindra Bank became the **1st bank** to issue Foreign Portfolio Investments (FPI) license to an Alternate Investment Fund (AIF) incorporated in Gujarat International Finance Tec (**GIFT**) International Financial Services Centre (**IFSC**), after its issuance of FPI license on May 20, 2021, to the GIFT IFSC AIF of **True Beacon Global**.

- In partnership with Kotak Mahindra Bank, True Beacon launched its first AIF in GIFT-City with PricewaterhouseCoopers(PWC) as consultants.

Key points:

i.This was the first FPI license issued to an AIF in GIFT IFSC by any custodian bank or Designated Depository Participant in India.

ii.AIF became an important business vertical at GIFT IFSC as it will offer huge benefits and a competitive edge for setting up funds in IFSC at GIFT City.

Definitions:

i.FPI – It means the investments made by investors in financial assets, such as stocks and bonds of entities located in another country.

ii.Designated Depository Participant – It means a person who has been approved by Securities Exchange Board of India (SEBI) under FPI Regulations, 2014, to buy, sell or otherwise deal in securities as a foreign portfolio investor.

iii.AIF – It is a privately pooled investment vehicle that collects funds from sophisticated investors, whether Indian or foreign, for investing it by a defined investment policy for the benefit of its investors. There are 3 Categories in AIFs (Category I AIFs, Category II AIFs, and Category III AIFs).

About Gujarat International Finance Tec-City Co. Ltd. (GIFT City):

Headquarters – Ahmedabad, Gujarat

MD and Group CEO – Tapan Ray

About Kotak Mahindra Bank:

It is India's first non-banking finance company which is converted into a bank.

Establishment – 2003 (Kotak Mahindra Finance Ltd. was established in 1985, converted to Kotak Mahindra Bank in 2003)

Headquarters -Mumbai, Maharashtra

MD & CEO – Uday Kotak

Tagline – Let's Make Money Simple

Alankit tie-up with Digital Swiss Gold – to Offer Gold Platform Investment

Alankit Imaginations Ltd, a subsidiary of Alankit made partnership with **Digital Swiss Gold** (DSG) to enable individuals to transact in gold digitally in Switzerland.

- Under the partnership, investors could buy **Swiss Gold digitally** after becoming a Digital Swiss Gold member by creating an account on an app and completing the KYC process.

Key points:

i.An individual can buy gold starting from **1 gram** and to a maximum limit of **$2,50,000** per financial year under the Liberalised Remittance Scheme of the Reserve Bank of India(**RBI**).

ii. Under this collaboration DSG will offer competitive and transparent pricing, which will save up to **10 percent** compared to published Indian gold prices, as the gold is sourced directly from Swiss refineries and eliminating middlemen.

iii.DSG allows a buyer to gift someone (after requisite formalities) and the physical transfer of gold is also applicable after paying the customs and other regulatory clearance

iv.DSG's gold have the highest standards of 0.9999 fineness and also in compliant with all London Bullion Market Association (LBMA) gold bar specifications.

About Digital Swiss Golds(DSG):

Headquarters(India) – NewDelhi

Headquarters(Global) – St. Helier, Jersey

CEO – Ashraf Rizvi

Aditya Birla Sun Life Launched a Savings Plan – Vision LifeIncome Plus Plan

Aditya Birla Sun Life Insurance (**ABSLI**), the life insurance subsidiary of Aditya Birla Capital Limited (ABCL), launched a flexible savings plan named **'Vision LifeIncome Plus Plan'** to provide guaranteed regular income along with flexible bonus payouts to policyholders.

- It is a **non-linked** participating individual plan that is designed as a customizable savings plan and suitable for the customer's financial needs at **all stages of life**.

Note – Non-Linked Insurance Plans are plans that are **not linked to the stock market.** It provides low-risk returns and a well-defined maturity amount and bonuses.

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About the savings plan:

Key points:

i.The savings plan provides a guaranteed regular income for the customers up to **30 years** with the benefits of a life insurance cover.

ii. It provides tax-free guaranteed additional income for life, apart from offering the benefit of liquidity or cash in hand whenever the customer requires funds.

Choice of 3 Benefit options:

- The savings plan provides the choice of 3 benefit options which includes, short-term income, long-term income, and whole life income.

Short-term income – leads to monthly income for **10 years** to salaried individuals below **45 years**
Long term income – will provide annual income for **20, 25, 30 years**
Whole life income- will provide annual income till the age of **85 years/100 years**

Flexible bonus payouts:

The bonus declared in the form of 'Paid Up Additions', can be availed as cash pay-outs from the first policy year onwards for instant liquidity needs or could be withdrawn partially/fully anytime during the Policy Term.

Life Insurance Cover:

The plan offers life insurance cover **until age of 100 years** and it will offer a lump-sum benefit to the nominee, in case of unfortunate death of the life insured anytime during the policy term.

About Aditya Birla Sun Life Insurance(ABSLI):

Establishment – 2000(commenced operation at 2001)
Headquarters – Mumbai, Maharashtra
MD&CEO – Kamlesh Rao

SEBI Imposed Rs 5.25 crore Fine on Cairn India for Fraud under Share Buyback

The Securities and Exchange Board of India (**SEBI**) has imposed a penalty of **Rs 5.25 crore** on **Cairn India** for making a misleading announcement regarding the **buyback of shares** on January 14, 2014.

i.SEBI has also imposed fine of **Rs 15 lakh each** on P Elango (CEO and director of Cairn), Aman Mehta (director of Cairn's board), and Neerja Sharma (director risk assurance and secretary of Cairn).

ii.Misleading over Buyback of shares: In January 2014, Cairn India and its directors made the public announcement of buyback but not utilised the minimum amount of **50 percent** of the buyback size (despite the conditions were favourable to the company) and violated the various provisions SEBI's Prevention of Fraudulent and Unfair Trading Practices (PFUTP) rule and Buyback Regulations.

Finance Ministry notifies new rules for increasing FDI in Insurance Sector to 74% From 49%

The Ministry of Finance notified the **Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021** which increases the Foreign Direct Investment (FDI) limit in the Insurance sector to **74% from the existing 49%**.

- Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 has amended the Indian Insurance Companies (Foreign Investment) Rules, 2015.
- Parliament had passed the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 in March, 2021.
- Note – FDI in the insurance sector was increased from 26 per cent to 49 per cent in 2015.

i.According to the new norms, Majority of board members, Key Management Persons (KMP) need to be resident Indian citizens, as should be at least one of the 3 top positions – Chairperson of the board, the MD and CEO.

ii. Any Indian Insurance company with FDI exceeding 49%,

- It should have 50% of its board of directors as independent directors, unless the chairperson of its board is an independent director, in this case at least one-third of the board shall comprise independent directors.
- Such firms will have to retain 50% of their net profits in General Reserves, if they propose to pay dividends on equity shares in any financial year when the prescribed solvency margin is not met.
- ***Note –*** Current regulations require a solvency ratio of 150%.

iii. The new norms are expected to help local private insurers grow fast and expand their presence across India.

- **Insurance penetration in India stands at 3.7% of the GDP** compared to the Global average of 6.31%.
- Currently, the growth in the life insurance sector slowed to 11-12% from 15-20% in the Fiscal 2020.

Note- FDI in the insurance sector was increased from **26 per cent to 49 per** cent in 2015.

About Ministry of Finance

Union Minister – Nirmala Sitharaman (Rajya Sabha – Karnataka)
Minister of State (MoS) – Anurag Singh Thakur (Lok Sabha – Hamirpur, Himachal Pradesh)

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Finance Minister Nirmala Sitharaman Released the 'CCI Journal on Competition Law and Policy' on 12th Founding Day of CCI

Nirmala Sitharaman, Union Minister of Finance and Corporate Affairs released the 'CCI Journal on Competition Law and Policy' at the virtual event organised to commemorate the **12th founding day** of the Competition Commission of India(**CCI**). CCI was established under the Competition Act, 2002 on **20th May** 2009.
She also released the Competition Advocacy Booklets of CCI, translated into Bengali, Marathi and Tamil.

Key People:

- Anurag Singh Thakur, Minister of State for Finance & Corporate Affairs participated in the virtual event as a Guest of Honour.
- Rajesh Verma, Secretary, Ministry of Corporate Affairs, Ashok Kumar Gupta, Chairperson of CCI & S. Ghosh Dastidar, Secretary of CCI participated in the event.

Event of 12th Founding Day of CCI:

The commemoration featured a workshop on Competition Law
Session 1: Antitrust Enforcement – Section 3 and 4 of the Act and its journey till date
Session 2: Merger Regime in India – Our journey in the last ten years and way forward

About Competition Commission of India(CCI):

Director General– Dr. Atul Verma
Headquarters– New Delhi
Established on– 20th May 2009

IMF proposes USD 50 Billion plan to vaccinate everyone by 2022

The International Monetary Fund (IMF) has put forth an **USD 50 Billion proposal** to end the COVID-19 Pandemic, it has set a target of vaccinating at least 40% of the world's population by end of 2021 & remaining 60% by first half of 2022.

- The proposal was drafted by **IMF Chief Economist Gita Gopinath** and Staff Economist Ruchir Agarwal.
- It states that vaccinating the entire global population would inject the equivalent of **USD 9 trillion into the global economy by 2025** due to fast resumption of economic activity.
- The proposal was elaborated by the IMF during the Global Health Summit 2021 hosted by Italy (G20 2021 Presidency) & European Commission, held virtually from Rome, Italy on May 21, 2021.

Proposal Plan to end COVID-19

i.The USD 50 Billion proposal has 3 broad elements,

- **Vaccinating** at least 40% of the population in all countries by end-2021 and at least 60% by the first half of 2022.
- **Insuring against downside risks** such as new variants of COVID-19 that may call for additional booster shots (extra administration of a vaccine after an earlier dose).
- **Managing the interim period** where vaccine supply is limited.

ii. Out of USD 50 billion, at least USD 35 billion will be paid for by grants from rich countries, private and multilateral donors, and the remaining USD 15 billion will be funded by the National governments using Concessional financing available from multilateral development banks.
iii. The proposal states that the advanced economies which have been asked to contribute the largest to the USD 50 Billion proposal, will benefit the most out of it.

- They will see the highest return on public investment in modern history, capturing **40% of the global GDP gains** and roughly USD 1 trillion in additional tax revenues.

iv. The IMF stated that by the end of April, 2021, less than 2% of the population of Africa had been vaccinated. In the US, 40% of the population were vaccinated & over 20% in Europe had received at least one dose of vaccine against COVID-19.
v.It also states that based on the current trend, vaccine coverage in India will remain under 35% by December 2021.

About International Monetary Fund (IMF)

Managing Director – Kristalina Georgieva
Headquarters – Washington, D.C., United States
Establishment– 1944
Member Countries– 190

SEBI Doubled the Overall limit for Overseas Investment by AIFs, VCFs to $1,500 million

On May 21, 2021, In consultation with the Reserve Bank of India(RBI), Securities and Exchange Board of India (**SEBI**) doubled the overall limit of the investment in overseas markets by alternative investment funds(**AIFs**),

and Venture Capital Funds(**VCFs**) registered under SEBI (VCFs) Regulations, 1996, from $750 million to **$1,500 million** (~Rs10,000 crore).

Background:

In 2015, the SEBI had allowed the overseas investment by AIFs and VCFs to the extent of $500 million i.e. up to 25 percent of their investable corpus and later it was increased to **$750 million in 2018.**

Key points:

i.The current increase in the limit will increase the Indian's participation in global companies and accelerate the growth of the Indian AIF industry.

ii. The AIF industry has averaged a compounded annual growth rate(CAGR) of 491% between December 2012 and December 2020, to reach Rs 4.42 trillion.

Other regulations on Overseas Investment(unchanged):

i.AIFs/ VCFs should report the **utilization of the overseas** limits within **5 working days** of such utilization on SEBI's portal.

ii. If an AIF / VCF has **not utilized** the granted overseas limit within a period of 6 months from the date of SEBI approval (validity period) then that should be reported within **2 working days** after expiry of the validity period.

iii. If an AIF/ VCF wishes to surrender the overseas limit at any point of time within the validity period, then that should be reported within 2 working days from the date of the decision to surrender the limit.

Recent Related News:

SEBI has issued guidelines for preparing warehousing norms by Clearing Corporations(CCs) for agricultural/agro-processed goods and non-agricultural goods (base and industrial metals).

About Securities and Exchange Board of India (SEBI):

Establishment – On April 12, 1992, in accordance with the SEBI Act, 1992.
Headquarters – Mumbai, Maharashtra
Chairman – Ajay Tyagi

ESFBL Became the 1st SFB to Offer Online Account Opening for NRIs

Equitas Small Finance Bank Ltd(**ESFBL**) became the **first** Small Finance Bank(**SFB**) to offer the online process of account opening for Non-Resident Indians(NRIs). It also became the first SFB to have Virtual Relationship Managers(**VRM**) based on time zones.

Objective: Aimed to increase the opportunities for ESFBL's NRI account holders to manage their investments, deposits and the income earned in India.

Online Account Opening:

i.The online process of account opening for NRIs could be done through a smartphone or computer (connected to the Internet).

ii. Around **90 days** were provided by the bank for the NRI applicants to courier their documents after opening an account.

Key points:

i.The complete banking process will be supported by a team of **VRMs** based on the time zone of the customer.

ii. To make a seamless transfer of overseas earnings to India, ESFBL offers online and offline remittance facilities to its NRI customers at the best exchange rates.

iii. Equitas Net Banking will enable investment in mutual funds and Portfolio Management Services for the NRI account holders.

iv. For NRI accounts, ESFBL offers Interest rates of **6.8 percent** per annum on Fixed Deposits(FD) and **7 percent** per annum on Savings Bank Account (SB) (Balances between Rs 1 lakh to Rs 2 Crores).

About Equitas Small Finance Bank Ltd(ESFBL):

MD and CEO– Vasudevan Pathangi Narasimhan (P N)
Headquarters– Chennai, Tamil Nadu
Commenced the business of SFB – September 5, 2016
Tagline – It's Fun Banking

LIC Hiked its Stake in Union Bank to over 5%

On May 21, 2021, The Life Insurance Corporation of India (LIC) acquired around a **2 percent** stake in the state-run Union Bank of India(**UBI**) and hiked its stake hold in UBI to **5.06 percent.**

- Earlier, the LIC held a **3.09 percent** stake in UBI, representing 19,79,23,251 equity shares of the bank, now it was increased to 5.06 percent (34,57,64,764 shares).
- UBI had closed its Qualified Institutions Placement (QIP), in which it raised a total of Rs 1,447.17 crore.

About Life Insurance Corporation of India (LIC):
Establishment -1956
Headquarters– Mumbai, Maharashtra
Chairman – M R Kumar
About Union Bank of India(UBI):
Establishment – November 11, 1919
Headquarters– Mumbai, Maharashtra
MD & CEO – Shri Rajkiran Rai G.

MRHFL, IPPB tie-up for Cash Management Solution

On May 24, 2021, Mahindra Rural Housing Finance Limited (**MRHFL**), a subsidiary of Mahindra and Mahindra Financial Ltd, and India Post Payments Bank(**IPPB**) entered into a partnership for a **cash management solution**.

Benefits under the collaboration:

i.Under the partnership, IPPB will be offering **cash management and collection services** to MRHFL through its access points and postal service providers.
ii. Using the cash management service, MRHFL customers could able to repay their monthly or quarterly loan instalments at over **1.36 lakh post offices**.
iii.IPPB's large national network has made the deployment of cash management solutions to meet the requirements of MRHFL.

About Mahindra Rural Housing Finance Limited(MRHFL):
Establishment – 2007
Headquarters – Mumbai, Maharashtra
Managing Director – Anuj Mehra
About India Post Payments Bank(IPPB):
Establishment – 2018
Headquarters – New Delhi
Director and Chairman – Shri P. K. Bisoi
MD & CEO – J Venkatramu
Tagline– Aapka Bank, Aapke Dwaar

Biocon & Its Ex-Official was Fined Rs.14 Lakh for Violating Market Norms by SEBI

Market regulator **Securities and Exchange Board of India(SEBI) imposed a total fine of Rs.14 lakh** on Biopharmaceutical company **Biocon** and its former **Senior Vice President (R&D) Narendra Chirmule** for violation of market norms.

- Narendra Chirmule is facing the fine of **Rs 5 lakh** for trading in the company's securities when the trading window was closed and violated provisions of Prohibition of Insider Trading (PIT) norms.
- Biocon is facing a total penalty of **9 lakh** for violating various provisions of PIT norms as it failed to prescribe any deadline within which it is required to inform SEBI of the violation of Code of conduct (CoC).

NPCI Onboards PayCore to Develop SoftPoS Solutions for RuPay

On May 24, 2021, The National Payments Corporation of India (**NPCI**), has onboarded **PayCore**, Turkey's global payment solutions company as **one of the certified partners** for **'RuPay SoftPOS'** to drive cashless payments across the country.
Objective: Along with PayCore, NPCI aims to reduce the investment cost required by banks to reach over the MSMEs (Micro, Small and Medium Enterprises) and intents to increase the spread of 'RuPay SoftPOS' across India with its network of banks.
About Rupay SoftPoS:
On March 05, 2021, NPCI partnered with SBI Payments and launched 'RuPay SoftPoS' to transform NFC enabled smartphones into Point of Sale (POS) terminals for the merchants and retailers. Click here to know more
Key points:
i.Under the partnership, NPCI has authorised the PayCore's SoftPOS solution for RuPay, which will enable smartphones and tablets to be used as POS terminals without any additional devices.
ii. Using SoftPoS merchants can use their Near Field Communication(NFC)-enabled smartphones as PoS machines to accept contactless payments.
iii. RuPay SoftPOS enables merchants to accept payments securely from contactless cards, mobile wallets, wearables, and QR-based payment solutions over Unified Payments Interface (UPI).
Note – PayCore's SoftPOS technology is also used by Hitachi Payment and SBI Payment

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About National Payments Corporation of India (NPCI):
It is an organisation for operating retail payments and settlement systems in India, it is an initiative of Reserve Bank of India (RBI) and Indian Banks' Association (IBA) under the provisions of the Payment and Settlement Systems Act, 2007 for creating a robust Payment & Settlement Infrastructure in India.
Establishment – 2008
Headquarters – Mumbai, Maharashtra
MD & CEO -Dilip Asbe

Flexiloans Ties With Up Vivriti Capital To Disburse Rs 300 Crore Loans To MSMEs

Fintech lender **FlexiLoans.com** has partnered with financial services company **Vivriti Capital** to provide **working capital financing to micro, small and medium enterprises (MSMEs)** by disbursing loans worth **Rs 300 crore**.
Key Points:
i.The partnership will be powered by FlexiLoans.com's technology and credit underwriting platform 'BiFrost', which has been integrated with Vivriti's Co-lending platform 'CredAvenue'.
ii. The aim of this initiative is to reach out to more than 10,000 MSMEs in the next 12-18 months.
iii. These Loans can be applied online and can be received with in-principal approval within 24-48 hours digitally without any manual intervention.
About FlexiLoans:
FlexiLoans was launched in 2016 by Abhishek Kothari, Deepak Jain, Manish Lunia and Ritesh Jain.
Headquarters: Mumbai, Maharashtra.

PayNearby, Centrum Microcredit tie-up to Offer Unsecured SMB Loans to Retailers

PayNearby, branchless banking and digital payments network, tie-up with **Centrum Microcredit**, wholly-owned subsidiary of The Centrum Group to offer **unsecured** Small Medium Business (**SMB**) **loans** to its **retailers**.
Objective: Aimed to strengthen the business growth of PayNearby's retailers (who often need small short-term working capital) under COVID-19 by providing credit facilities to them at affordable interest rates.
Key points:
i.Under the partnership, the loan requirements will be sourced through PayNearby's vast network of retailers and will be disbursed by Centrum Microcredit Limited.
ii. PayNearby is currently funding small-ticket, unsecured loans between **Rs 25,000 to Rs 1 lakh** with tenure ranging from 6 months to 24 months.
iii. The loan turn-around time is about 48 hours, and the entire life cycle of the loan is completely digital.
iv. Centrum will improve the efficiency of PayNearby's lending business and harness its rich data acquired through processing billions of transactions per day.
About PayNearby:
Establishment – April 2016
Headquarters – Mumbai, Maharashtra
Founder, MD & CEO – Anand Kumar Bajaj

India Records Highest Ever FDI Inflow of US$81.72 Billion in FY21

As per the data released by the Ministry of Commerce & Industry, India has attracted the highest ever total Foreign Direct Investment (**FDI**) inflow of US**$81.72 billion during FY21**, which is **10 percent** more than FY20(US$74.39 billion).

- FDI equity inflow grew by 19 percent in FY21 (US$ 59.64 billion) compared to FY20 (US$ 49.98 billion).

i.Top Investing countries in FY21:
Singapore is the top investing country with **29 percent** of total investment, followed by the United States of America **(USA)** with **23 percent** and **Mauritius** with **9 percent**.
Percentage Increase in investment:

- In terms of percentage increase in investment in FY21 compared with FY20, among the top 10 countries, Saudi Arabia is the top investor as it invested US$ 2816.08 million in FY21 when compared with US$ 89.93 million in FY20.
- The USA and the United Kingdom recorded a 227 percent and 44 percent increase in FDI equity inflow in FY21 compared to FY20.

ii.Top Investment Sectors in FY21:

Sector	Share of FDI Equity inflow
Computer Software & Hardware	44 percent

Construction (Infrastructure) Activities	13 percent
Services Sector	8 percent

- Sectors such as Construction (Infrastructure) Activities, Computer Software & Hardware, Rubber Goods, Retail Trading, Drugs & Pharmaceuticals and Electrical Equipment have recorded more than 100 percent jump in equity in FY21 as of FY20.

iii.Top Recipient States in FY21:

i.Gujarat is the top recipient state for the 4th consecutive year with a **37 percent or US$ 30.23 billion** share of the total FDI equity inflows followed by **Maharashtra 27 percent** and **Karnataka 13 percent**.

ii. Under the 'Computer Software & Hardware' sector, the major recipient states are Gujarat 78 percent, Karnataka 9 percent and Delhi 5 percent.

Note – FDI – It is an investment made by a firm or individual in one country into business interests located in another country.

SBI Reported India's Real GDP for Q1FY22 to Grow in the Range of 10-15%; Icra Forecasted Q4FY21 GDP Growth at 2%

State Bank of India's (**SBI**) research report 'Ecowrap' stated India's Real gross domestic product (GDP) growth for **Q1 FY22** to be in the range of **10-15 percent** as against RBI's forecast of **26.2 percent**. It also forecasted Real GDP loss in the range of Rs 4-4.5 lakh crore for Q1 FY22.

- SBI has developed a 'nowcasting model' with 41 high-frequency indicators associated with industry activity, service activity, and global economy in collaboration with State Bank Institute of Leadership (SBIL), Kolkata

Key points of the Report:

i.As per the model, it predicts India's GDP to grow at **1.3 percent** in the Q4 FY21 with a contraction of around 7.3(-7.3) percent in FY21 compared to its earlier prediction of 7.4 (-7.4) percent).

ii. The report stated India as a fifth-fastest-growing country among the 25 nations that have released their GDP numbers so far.

iii. It expects nominal GDP loss of up to Rs 6 lakh crore in Q1 FY22 as compared to Rs 11 lakh crore of Q1 FY21 and Estimated real GDP loss between Rs 4-4.5 lakh crore.

iv. The report mentioned a decline in both deposits and credit of all the banks in April and May, 2021 (Deposits increased by Rs 2.8 lakh crore in FY21 in FY22 it has already increased by Rs 1 lakh crore till May 7).

Icra Forecasted Q4fy21 GDP growth at 2%

Domestic ratings agency ICRA Limited (Investment Information and Credit Rating Agency of India Limited) forecasted India's GDP growth in the Q4FY21 at **2 percent**, with a 7.3(-7.3) percent contraction for FY21.

- From GVA (gross value added) perspective, ICRA forecasts Q4FY21 growth at 3 percent with the contraction at 6.3(-6.3) percent in FY21.
- ICRA's projection is better than National Statistical Office (NSO) forecast of 8(-8) percent contraction in FY21 with growth over Q4FY21 at 1.1 percent.

About State Bank of India(SBI):

Establishment – 1st July 1955
Chairman – Dinesh Kumar Khara
Headquarters – Mumbai, Maharashtra
Tagline – The Banker to Every Indian

About ICRA Limited (Investment Information and Credit Rating Agency of India Limited):

Establishment – 1991
Headquarters – New Delhi
MD & CEO – N. Sivaraman

TransUnion's Onboarding Solution Implemented By YES Bank

Yes Bank digitises onboarding of credit card customers by implementing **TransUnion's Onboarding Solution.**This solution will enable YES Bank to onboard its credit card customers seamlessly, efficiently, and quickly.

About TransUnion's seamless onboarding:

i.TransUnion's seamless onboarding delivers a full range of identity, fraud, decisioning and credit solutions through a single platform and API calls to make integration easy and convenient for the lender.

ii. It helps both lenders and consumers experience a quicker and easier digital on-boarding process.

Advantages:

- Fewer customer information fields to input
- No physical paperwork

- Comparatively lesser time required for completing the credit card applications
- Consumer-friendly design
- Seamless and enhanced customer journey

About YES Bank:

Establishment – 2004
Headquarters – Mumbai, Maharashtra
Managing Director(MD) and Chief Executive Director(CEO) – Prashant Kumar
Tagline– Experience our Expertise

PNB, PNB Housing Enters New Brand Agreement

In May 2021, Punjab National Bank (**PNB**) and PNB Housing Finance Limited (**PNB Housing**) made a fresh **brand agreement**, to provide PNB with the right to withdraw its brand name from PNB Housing. Currently, PNB is holding **33 percent** in PNB Housing.

- The existing brand arrangement (dated December 7, 2009) will continue to govern the use of the PNB trademark until PNB's shareholding in the PNB Housing company is 30 percent or more.
- The new agreement (dated May 24, 2021) will replace the existing agreement when PNB's shareholding falling below 30 percent.

New agreement Terms:

i.If PNB's shareholding in PNB Housing falls below 20 percent, the PNB Housing will be allowed a transition period of up to 24 months for changing of the brand name.
ii.Royalty Fee: When PNB's stake falling below 30 percent, PNB Housing will pay a royalty between Rs 14.97 crore to Rs 30 crore and it would be 0.2 percent of its revenue and 2 percent of net profit.

About Punjab National Bank(PNB):

Establishment – May 19, 1894 (Commenced Operations – April 12, 1895)
Headquarters– New Delhi
MD & CEO – CH. S. S. Mallikarjuna Rao
Tagline– The name you can bank upon

About PNB Housing Finance Limited (PNB Housing):

Establishment – November 11, 1988
Headquarters – New Delhi
MD & CEO – Hardayal Prasad

'Pockets'-ICICI Bank's e-wallet Became the 1st to be Linked with UPI Network

In collaboration with the National Payments Corporation of India (**NPCI**), ICICI (Industrial Credit and Investment Corporation of India) Bank has launched a facility for linking a Unified Payments Interface (UPI) ID with its digital wallet, '**Pockets**' and became the **1st** one in the industry to **link e-wallet with UPI** Network.

- By linking Pockets with UPI, ICICI enables its customers to undertake **UPI transactions from their wallet** balance **instead of** their **savings account,** as the users can directly use the balance in the wallet for smaller transactions.

Key points:

i.Departure from Saving Account: The current initiative marks a departure from the current practice which demands UPI IDs to be linked with a savings bank account.
ii.ICICI Bank will provide a UPI ID for the non-customers of ICICI Bank, and it will be linked automatically to Pockets and for the customers who already have a UPI ID, it provides a new ID when they log on to the 'Pockets' app.
iii. The initiative expands the usage of UPI to those who do **not** have a **savings account** (e.g. students) as there are **no bank account details required** for the creation of the UPI ID.

Benefits of UPI-linked 'Pockets':

i.Scan and Pay: Users can make person to person (P2P) payments and person to merchant (P2M) payments (paying online at merchant sites or paying by scanning QR codes) through Bharat Interface for Money (BHIM) UPI in the 'Pockets' app.
ii.Money transfers: Customers could transfer funds from their 'Pockets' wallet to a savings account or any other 'Pockets' wallet, by entering the recipient's 'Pockets' UPI ID or savings account details.

About ICICI's Pockets:

ICICI Bank launches 'Pockets' digital banking service on 2015, India's first digital bank on a mobile phone.
i.It is the e-wallet of ICICI Bank powered by VISA, and it is the first app that uses the NFC (Near Field Communication) technology to make payments at the point of sale(PoS).

ii.Benefits under Pockets: Ease of funds transfer, payment of utility bills, and ease of shopping through online or offline modes as well as a physical card upon request.

About Unified Payments Interface(UPI):

i.UPI is an instant payment system developed by NPCI, UPI is built over the Immediate Payment Service (IMPS) infrastructure and allows the users to instantly transfer money between any two parties' bank accounts.

ii.NPCI set the maximum funds that an individual can transfer through UPI per transaction to Rs 1 lakh.

About ICICI Bank:

Establishment – 1955(Incorporated in 1994)
Headquarters – Mumbai, Maharashtra
MD& CEO – Sandeep Bakhshi
Tagline – Hum hai na, Khayal Apka

HDFC To Raise Up To Rs 7,000 Cr By Issuing Bonds

India's largest private sector bank by assets and by market capitalization,**HDFC Bank** has announced that it will raise up to **Rs 7,000 crore by issuing bonds** on private placement basis.

Key Points:

i.The secured redeemable non-convertible debentures (NCDs) will be issued with the base size of **Rs 5,000 crore** with option to retain oversubscription of up to Rs 2,000 crore.

ii. The bonds will be issued on May 28, 2021 with a coupon rate of **6 percent per annum**. The issue will close on the same day.

iii. The bonds have a tenor of 4 years and 363 days, and the redemption date is set as May 29, 2026.

iv. The arranger of the issue is **Axis Bank.**

v.The proceeds of the present issue would be utilised for financing and refinancing the housing finance business requirements of the Corporation.

HDFC Ltd Sold 3.08 percent Stake of RInfra for Rs 43.91 crore

Housing Development Finance Corporation (**HDFC**) Ltd, an Indian financial services company, sold further 81,05,677 shares equivalent to **3.08 percent** share capital of Reliance Infrastructure Limited **(RInfra)** for worth over **Rs 43.91 crore.**

- HDFC held these shares on account of invocation of pledge through Axis Trustee Services.

Key points:

i.Earlier in May, 2021, the HDFC had sold 52,88,507 shares, equivalent to 2.01 percent of RInfra for over Rs 22.86 crore.

ii. As of March 31, 2020, RInfra had standalone revenue of Rs 3,338.71 crore and its balance sheet stood at Rs 23,216.83 crore. It is engaged in developing projects in sectors such as power, roads, metro rail and defence, through various special purpose vehicles (SPVs).

About Housing Development Finance Corporation (HDFC) Ltd:

Establishment – 1977
Headquarters– Mumbai, Maharashtra
CEO – Mr. Keki M. Mistry

IMF Plans to Include Climate, Digital tech into Economic Assessments

In May 2021, the International Monetary Fund(**IMF),** plans to update the way it conducts **economic assessments** to report the risks related to climate change, inequality and demographics, as well as evolving digital technologies.

- The new approach was agreed upon by the IMF's executive board after the IMF's first comprehensive review of its surveillance work since 2014.

Key points:

i.*Objective:* The new approach aims to enhance the IMF's economic analysis and assessment to be more timely, topical, targeted, and better-informed. It will help IMF members navigate coming challenges to achieve resilient growth and macroeconomic stability.

ii. Along with macro-financial factors, significant uncertainties and risks linked to digital technologies, including cryptocurrencies, climate change, inequality, demographics, and a more multipolar landscape are also included in the approach.

About International Monetary Fund(IMF):

Establishment – 1944 through the United Nations Bretton Woods Conference in the United States.
Headquarters – Washington, D.C., United States

Managing Director – Kristalina Georgieva
Member Countries– 190

ZebPay Launched India's First Crypto Based Lending Platform

In May 2021, **ZebPay** launched India's **1st** lending platform under the **cryptocurrency** exchange for the investors to invest their coins and earn returns (interest). Currently the exchange will support the bitcoin (BTC), ether (ETH), tether (USDT) and dai (DAI) tokens.

- Under the ZebPay Lending Platform, the investors could deposit their Bitcoins/other coins and earn returns like the bank's fixed deposits(FD).
- The platform will generate returns on users' crypto investments based on their selected cryptos, their token and the time period for which it is loaded.

Key points:

i.Based on the term of deposits, users could generate returns of up to 3 percent on bitcoin, 7 percent on ether, 7 percent on dai and 12 percent on tether.
i.Under the platform, investors could lend their cryptos for an open term or a fixed term.
ii. Under **open term**, investors could lock in their crypto under their trading wallet along with the principal amount and their returns will be earned as applicable for the day.
iii. The **fixed-term** allows investors to lend their crypto for seven-day, 30-day, 60-day and 90-day periods (with different rates for each). In fixed-term, the tokens cannot be withdrawn before the end of the term.

About Cryptocurrency:

i.A cryptocurrency is a digital or virtual currency that is secured by cryptography, which works as a medium of exchange that uses cryptography.
ii. The first blockchain-based cryptocurrency launched was **Bitcoin**, it was launched in **2009** by a group 'Satoshi Nakamoto'.

About ZebPay:

Establishment -2014
Headquarters (Global) – Singapore
Headquarters(India) – Ahmedabad, Gujarat
Corporate Office – Victoria, Australia
CEO – Rahul Pagidipati

Canara Bank Launched 3 Loan Schemes amidst COVID-19

On May 28, 2021, **Canara Bank** launched 3 categories of loan schemes such as **Canara Chikitsa** healthcare credit facility, **Canara Jeevanrekha** healthcare business loan, and **Canara Suraksha** personal loan scheme, as a part of the fight against **COVID-19** to offer healthcare credit, business and personal loan to individuals.

About the 3 categories of loan:

a.Canara Chikitsa healthcare credit facility:
i.This scheme offers loans from over **Rs 10 lakh to Rs 50 crore** to registered hospitals, nursing homes, medical practitioners, diagnostic centres, pathology labs that are engaged in servicing healthcare infrastructure.
ii. The loan will be offered at a concessional rate of interest with a tenor of **10 years** and a moratorium of up to 18 months.(Valid till March 31, 2022)
b.Canara Jeevanrekha healthcare business loan:
i.Under this, the bank will offer a loan up to **Rs 2 crore** at a concessional interest rate for manufacture and supply of healthcare products viz, medical oxygen and oxygen cylinders, and oxygen concentrators to registered hospitals and nursing homes or other manufacturers, and suppliers.
ii. This loan has no processing fee and for Micro, Small and Medium Enterprises (MSMEs), the loan will be provided with no collateral security as the lender will cover under Credit Guarantee Fund Trust for Micro and Small Enterprises (**CGTMSE**), and the bank will bear the guarantee premium for them.
iii. For non-MSMEs, the collateral security will be a minimum of **25 percent**. The scheme is valid till March 31,2022
c.Canara Suraksha personal loan scheme:
i.This scheme will provide loans from **Rs 25,000 – Rs 5 lakh** as immediate financial assistance for COVID-19 treatment.
ii. The scheme will offer a moratorium of 6 months with no processing fee, and it will be valid till September 30, 2021.
Note – On May 5, 2021, the Reserve Bank of India (RBI) announced an on-tap liquidity window of Rs 50,000 crore with 3 years of maturity and at repo rate till March 31, 2022, for banks to lend under the priority sector lending classification.

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About Credit Guarantee Fund Trust for Micro and Small Enterprises (CGTMSE):
i.The Government of India launched Credit Guarantee Scheme (CGS) to strengthen the credit delivery system and facilitate flow of credit to the MSME sector without any third party guarantee or collateral
ii. To operationalise the CGS, Government of India and Small Industries Development Bank of India(SIDBI) set up the CGTMSE.
Headquarters – Mumbai, Maharashtra
Chief Executive Officer – Shri Sandeep Varma
About Canara Bank:
Establishment – July 1906
Headquarters – Bengaluru, Karnataka
MD & CEO – L.V.Prabhakar
Tagline – Together We Can
Syndicate Bank was amalgamated into Canara Bank on April 2020

UCO Bank Alloted Preferential Shares to Govt for Rs 2,600 crore Capital Infusion

On May 28, 2021, **UCO Bank** allotted 203,76,17,554 preferential shares (PS) (equity shares of Rs 10 each) to the **Government** of India at an issue price of Rs 12.76 per share against a capital contribution of **Rs 2,600 crore** received by the Bank on March 31, 2021.

- The bank's board has approved a proposal to raise up to Rs 3,000 crore equity capital in 2021-22 through various means including preferential issue, follow on public offer or qualified institutional placement.

About Preferential Shares(PS):
i.PS are one of the special types of share capital having a fixed rate of dividend (**Dividend** – It is a share of profits and retained earnings that a company pays out to its shareholders)
ii.PS provide the shareholders with the special right to claim dividends during the company lifetime, and also with the option to claim repayment of capital, in case of the wind up of the company.
iii. As PS have elements of both equity shares and debt, they are also called – hybrid financing instruments, Preference stock, etc.
iv. Like debt carries a fixed interest rate, PS have fixed dividends attached to them with a fixed maturity date (Exception – irredeemable preference shares – do not have any fixed maturity).
About UCO Bank:
Establishment – 1943
Headquarters – Kolkata, West Bengal
MD & CEO – Atul Kumar Goel

RBI Imposed Rs 10 crore Penalty on HDFC Bank

On May 28, 2021, The Reserve Bank of India (**RBI**) imposed a monetary penalty of **Rs 10 crore** on **HDFC Bank Limited** for contravention of provisions of section 6(2) and section 8 of the Banking Regulation Act, 1949 (the Act).
RBI imposed the penalty in the exercise of powers vested with the RBI under the provisions of Section 47A(1)(c) read with Section 46(4)(i) of the Act, after finding irregularities with the HDFC bank's auto loan portfolio.

Group of Ministers set up to Evaluate GST Related to Casinos, Race course;Convened By Nitin Patel

The Finance Ministry has set up a 7-member Group of States' Ministers (GoM) to better understand, examine, and resolve the uncertainty over the valuation of services by **casinos, race courses, and online gaming** companies for levying Goods and Services Tax (**GST**).
The Committee will be Convened by **Deputy Chief Minister of Gujarat, Nitin Patel**.
Key points:
i.Other 6 members:

- Ajit Pawar (Deputy Chief Minister of Maharashtra)
- Chowna Mein (Deputy Chief Minister of Arunachal Pradesh)
- P Thiagarajan (Finance Minister of Tamil Nadu)
- Amit Mitra (Finance Minister of West Bengal)
- B Bommai (Home Minister of Karnataka)
- M Godinho (Transport Minister of Goa)

ii. The GoM will submit the recommendation within **6 months** to the **GST Council**, chaired by the Union Finance Minister and comprising state Finance Ministers for its consideration.

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Terms of Reference for Committee of GoM:

i.The committee will evaluate the services provided by casinos, race courses, online gaming portals, and the taxability of certain transactions in a casino. It will also include the existing legal provisions and orders of Courts into evaluation.

ii. Suggestions regarding the requirement of any **change on the legal provisions** for better valuation of these services (casinos, race course and online gaming) will be provided by it.

iii. Will examine the administration of valuation provisions and suggest alternative means of the valuation if needed. It will also evaluate the impact on other services like the lottery.

Provisions and rates:

i.As per the **Schedule III** of Central Goods and Services Tax (**CGST**) Act, **GST will not apply** (Exempt from levy of GST) to them which are neither 'supply of goods' nor 'supply of services. It includes actionable claims other than lottery, gambling and betting.

ii. Actionable claims can be enforced to GST only by legal action or a suit.

iii. Currently, services of casinos, horse racing and online gaming which are not involved in betting attract **18 percent** GST and online games involving betting or gambling attract **28 percent** GST.

About GST Council:

i.GST Council is an apex member committee to modify or to procure any law or regulation based on the context of GST in India.

ii. It was constituted on 15th September 2016 under Article 279A of the Constitution.

iii. The council is headed by the union finance minister (Current- Nirmala Sitharaman) and assisted by the finance minister of all the states of India.

Banking, Finance & Economy Q&A: May 2021

1.In April 2021, Indian Govt extended the deadline for making payments under the Vivad Se Vishwas by 2-months. Vivad Se Vishwas is a dispute resolution scheme under which organisation?

1) Department of Income Tax
2) Department of Goods and Services Tax
3) Department of Revenue
4) Central Bureau of Investigation
5) Land Ports Authority of India

Answer- **1) Department of Income Tax**

Explanation:

Indian Government extended the deadline for making payments under the Vivad Se Vishwas, the dispute resolution scheme, by 2 months till 30th June 2021 and also extended the deadlines for various compliance under Income Tax Act due to the COVID-19 pandemic.

2. Which of the following Central Banks recently (in Apr'21) became a member of Central Banks and Supervisors' Network for Greening the Financial System (NGFS)?

1) European Central Bank
2) Reserve Bank of India
3) State Bank of Pakistan
4) People's Bank of China
5) Central Bank of Bangladesh

Answer- **2) Reserve Bank of India**

Explanation:

RBI joined as a member of Central Banks and Supervisors' Network for Greening the Financial System (NGFS).

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It is a group of central banks that shares best practices & experiences for the development of environment and climate risk management in the financial sector.

About NGFS:

Establishment – December 2017

Headquarters – Paris, France

Members – 90 members & 13 observers

3. Which bank recently (in Apr'21) partnered with Decentro Tech, an API banking platform to offer customized business banking APIs to its customers?

1) ICICI Bank
2) Citibank
3) Axis Bank
4) Federal Bank
5) HDFC Bank

Answer- **1) ICICI Bank**

Explanation:

ICICI Bank and Decentro Tech Private Ltd, a full-stack Application Programming Interfaces (API) banking platform, made a partnership to offer customized business banking APIs to fintechs, startups, and corporates and e-commerce companies.

4. In April 2021, RBI increased the account balance limit of Payment banks from ₹ 1 lakh to ₹ 2 lakh. Which was the 1st payment bank to implement the policy?

1) Paytm Payments Bank
2) Fino Payments Bank
3) India Post Payments Bank
4) Airtel Payments Bank
5) Jio Payments Bank

Answer- **4) Airtel Payments Bank**

Explanation:

As per RBI guidelines, Airtel Payments Bank has increased the day-end account balance limit for customers from ₹ 1 lakh to ₹ 2 lakh and become the first payments bank in the country to do so.

5. In which online International Finance Corporation (IFC) is planning to invest USD 40 million as of April 2021?

1) BYJU's
2) upGrad
3) Coursera
4) Udemy
5) Unacademy

Answer- **2) Upgrad**

Explanation:

International Finance Corporation (IFC) a member of the World Bank Group, plans to invest USD 40 million (about Rs 290 crore) in upGrad, an online up-skilling platform and IFC has proposed to loan up to $150 million to Bajaj Finance Ltd.

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6. What was India's GDP growth for 2021 as per the recent (Apr'21) projection of Oxford Economics?

1) 11.8%
2) 12.5%
3) 10.2%
4) 8.67%
5) 9.09%

Answer- **3) 10.2%**

Explanation:

Oxford Economics, Global forecasting firm has revised down India GDP growth forecast for 2021 from 11.8% to 10.2% due to increasing burden of COVID-19 and lack of appropriate strategy by the government to curtain the pandemic. It has forecasted world GDP growth to 6.1% in 2021 and 4.3% in 2022.

7.Which organisation launched the 1st of its kind initiative 'Restore Fund' worth $200 million to remove carbon from the Atmosphere?

1) Apple
2) Microsoft
3) Google
4) SpaceX
5) Facebook

Answer- **1) Apple**

Explanation:

Apple in partnership with Conservation International and Goldman Sachs launched a first-of-its-kind carbon removal initiative called the Restore Fund of $200 million, to make investments in timber-producing forest properties to remove carbon from the atmosphere and in turn generating a financial return for investors.

8. In April 2021, the Ministry of Finance announced an additional interest free loan worth Rs. 15,000 crores to state governments for capital expenditures.
Which of the following points are correctly related to India's capital expenditure allocations?
A) The Interest free loans are given to state governments with a repayment tenure of 50-years
B) Of the Rs. 15,000 crores, Rs. 2, 600 Crore was allocated for North-East and Hill States
C) Central Govt in Budget 2021-22 announced disinvestment in PSU's worth Rs. 2 lakh crores

1) Only A & C
2) All A, B & C
3) Only B & C
4) Only B
5) Only A & B

Answer- **5) Only A & B**

Explanation:

The Ministry of Finance, under the 'Scheme for Special Assistance to States for Capital Expenditure' is set to provide an additional amount of Rs. 15,000 Crore to State Governments as Interest free 50-year loan for spending on Capital projects for the FY 2021-22.

i.Of the Rs. 15,000 crores, Rs. 2, 600 Crore was allocated for North-East and Hill States

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ii. The Central Government announced to raise Rs. 1.75 Lakh crore through disinvestment in Central Public Sector Enterprise (CPSE) during the FY 2021-22.

9.Two schemes: SHWAS & AROG were launched to provide loans to MSMEs during COVID-19 pandemic.
What are the points that are correctly related to the Schemes?
A) IDBI Bank launched the SHWAS & AROG schemes
B) Loans upto Rs. 2 crores can be availed within 48 hours through the schemes
C) Only MSMEs which are involved in manufacturing of essential medical products for COVID-19 can avail the benefits
1) Only A & C
2) All A, B & C
3) Only B & C
4) Only B
5) Only A & B
Answer- **3) Only B & C**
Explanation:
In order to manage the national emergency and distress caused by COVID-19, the Small Industries Development Bank of India (SIDBI) has launched SHWAS & AROG, two new quick credit delivery schemes to help Micro, Small and Medium Enterprises (MSMEs).
i.SHWAS will fund MSMEs who are engaged in manufacturing of oxygen cylinders, oxy-generators etc.
ii.AROG fund for MSMEs engaged in manufacturing of Pulse Oximeters, Permitted COVID-19 drugs, Ventilators, and PPEs
iii. Both the schemes will provide the MSME units with 100% funding up to an amount of ₹2 crores at an attractive interest rate of 4.5-6 %, within 48 hours

10.With which financial service provider, the cryptocurrency exchange 'Gemini' partnered to provide the 1st of its kind Cryptocurrency Rewards Credit Card?
1) PayPal
2) Maestro
3) Visa
4) Mastercard
5) American Express
Answer- **4) Mastercard**
Explanation:
Mastercard in partnership with Cryptocurrency exchange, Gemini & WebBank, a leader in digital lending and the bank issuing the credit card to launch a 1st of its kind, Cryptocurrency rewards credit card.
About Mastercard:
Executive Chairman: Ajay Banga
CEO: Michael Miebach
Headquarters: New York, USA

11.Which company partnered (in May'21) with Canara HSBC Oriental Bank of Commerce Life Insurance to improve Canara HSBC's IT infrastructure?
1) CtrlS
2) Amazon Web Services

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3) DigitalOcean
4) Tata Communications
5) Sify
Answer- **1) CtrlS**
Explanation:
CtrlS Datacenters, Asia's largest hyperscale rated-4 data center provider and managed services company made a partnership with Canara HSBC Oriental Bank of Commerce Life Insurance as Strategic Technology Partner to improve the Canara HSBC's adaptability over the technology infrastructure.

12.In May2021, _____ mandated all key employees of Asset Management Companies to contribute _____ of their salary in Mutual Funds Schemes.
1) RBI, 10%
2) SEBI, 20%
3) RBI, 15%
4) SEBI, 10%
5) RBI, 20%
Answer- **2) SEBI, 20%**
Explanation:
In order to bring transparency in the acts of Asset Management Companies (AMC) Key employees, the Securities and Exchange Board of India (SEBI) has mandated Key employees of AMCs to pay 20% of their salary (including perks, bonus, non-cash compensation net of income tax and statutory contributions like Employees Provident Fund) in units of mutual fund schemes in which they have a role/oversight.

13.Which bank launched the "Immune India Deposit Scheme" that provides an additional interest rate of 25 basis points to vaccinated people?
1) Canara Bank
2) Union Bank of India
3) Central Bank of India
4) Punjab National Bank
5) Bank Of India
Answer- **3) Central Bank of India**
Explanation:
Central Bank of India launched the "Immune India Deposit Scheme" a special deposit scheme to provide an additional interest rate of 25 basis points in addition to the applicable card rate for the vaccinated people.

14.Which cooperative bank was fined with Rs 40 lakh by RBI (in May'21) for non-compliance with regulatory guidelines of NABARD?
1) Bharat Cooperative Bank
2) A.P. Mahesh Cooperative Urban Bank
3) Nagpur Nagarik Sahakari Bank
4) Ahmedabad Mercantile Cooperative Bank
5) Himachal Pradesh State Cooperative Bank
Answer- **5) Himachal Pradesh State Cooperative Bank**

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Explanation:
The RBI has imposed a penalty of Rs 40 lakh on Himachal Pradesh State Cooperative Bank, Shimla, for non-compliance with certain regulatory directions issued by NABARD.

15.In May 2021, Mahesh Balasubramanian was appointed as the MD & CEO of which Insurance Company?
1) Tata AIA Life Insurance
2) Max Life Insurance
3) Aegon Life Insurance
4) SBI Life Insurance
5) Kotak Mahindra Life Insurance
Answer- **5) Kotak Mahindra Life Insurance**
Explanation:
Kotak Mahindra Life Insurance Company Limited (KLI) has appointed Mahesh Balasubramanian, the Managing Director and Chief Executive Officer (MD & CEO) of Kotak General Insurance(KGI) as its new Managing Director(MD) for a period of 3 years starting from 1st May 2021.

16.Which bank recently (in May'21) acquired Rs.10 Crore worth stake in India INX & India ICC in GIFT City?
1) DCB Bank
2) HDFC Bank
3) ICICI Bank
4) DBS Bank
5) RBL Bank
Answer- **1) DCB Bank**
Explanation:
DCB Bank has acquired Rs.10 Crore worth stake in India International Exchange Ltd (India INX), India International Clearing Corporation Ltd (India ICC) leading companies in GIFT City (Gujarat International Finance Tec-City), International Financial Services Centre (IFSC).

17.Which organisation (in May'21) imposed a Total fine of Rs 1.75 crore on several companies for fraudulent trading in the scrip of Vakrangee Ltd?
1) National Company Law Tribunal
2) Central Board of Direct Tax
3) Reserve Bank of India
4) Central Board of Indirect Tax
5) Securities Exchange Board of India
Answer- **5) Securities Exchange Board of India**
Explanation:
A total fine of Rs 1.75 crore was imposed by Markets regulator SEBI on several entities for indulging in fraudulent trading in the scrip of Vakrangee Ltd. The entities have violated Prohibition of Fraudulent and Unfair Trade Practices norms.

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18.With which bank the neobanking entity 'Fi' recently (in May'21) partnered to issue savings accounts with debit card facilities?

1) Axis Bank
2) ICICI Bank
3) HDFC Bank
4) Federal Bank
5) South Indian Bank

Answer- **4) Federal Bank**

Explanation:

Bengaluru-based Neobank Fi, has partnered with Federal Bank to issue an instant savings account, equipped with a debit card, in under 3 minutes for salaried millennials.

19.Who was recently (in May'21) appointed as the 4th Deputy Governor of the Reserve Bank of India?

1) RS Ratho
2) Rohit Jain
3) T Rabi Sankar
4) R Subramanian
5) Anil Kumar Sharma

Answer- **3) T Rabi Sankar**

Explanation:

The Appointment Committee of the Cabinet (ACC) chaired by PM Narendra Modi appointed T Rabi Sankar, the Executive Director of Reserve Bank of India(RBI) as the 4th Deputy Governor of RBI for a period of 3 years or till his date of superannuation. He succeeds B P Kanungo, who retired on 2nd April 2021.

20. In May 2021, Motilal Oswal Private Equity (MOPE) acquired minority shares worth $25 million in which Small Finance Bank (SFB)?

1) Utkarsh SFB
2) Capital SFB
3) Jana SFB
4) Fincare SFB
5) AU SFB

Answer- **4) Fincare SFB**

Explanation:

On May 03, 2021, Motilal Oswal Private Equity (MOPE) acquired a minority stake in Fincare Small Finance Bank (Fincare SFB) for $25 million (about ₹185 crores) through a secondary acquisition.

About Fincare SFB:

Establishment – 2017
Headquarters– Bengaluru, Karnataka
MD & CEO– Rajeev Yadav

21.Which bank was fined with Rs. 3 crores by RBI (in May'21) for violating the 'Prudential Norms' for Classification, Valuation & Operation of its Investment Portfolio?

1) State Bank of India
2) Federal Bank

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3) ICICI Bank
4) South Indian Bank
5) HDFC Bank
Answer- **3) ICICI Bank**
Explanation:
On May 03,2021, The Reserve Bank of India (RBI) imposed a Rs 3 crore monetary penalty on ICICI Bank for contravention of certain directions issued by the RBI on 'Prudential Norms' for Classification, Valuation and Operation of Investment Portfolio by Banks in July 2015.

22.What is India's GDP forecast for FY22 as per the projection of Goldman Sachs as of May 2021?
1) 11.1%
2) 12.3%
3) 9.09%
4) 10.1%
5) 12.7%
Answer- **1) 11.1%**
Explanation:
Goldman Sachs, brokerage reduced India's GDP forecast for FY22 to 11.1% from 11.7% due to the local restrictions and increasing COVID-19 cases.
RBI has projected FY22 GDP growth at 10.5%, while IMF puts it at 12.5%.

23.What does the acronym 'ECI' of RBI stand for?
1) External Commercial Service
2) Exchange Currencies & Securities
3) Electronic Credit Statistics
4) External Credit Service
5) Electronic Clearing Scheme
Answer- **5) Electronic Clearing Scheme**
Explanation:
Electronic Clearing Scheme or ECS was launched by the RBI for facilitating bulk transfer of funds from one bank account to another bank account.

24.In May 2021, RBI announced a series of comprehensive strategies to tackle the 2nd wave of COVID-19.
Identify the points that are correct with respect to RBI's announcements:
A) RBI announced Rs. 50,000 crores under Priority Sector Lending (PSL) classification to Emergency Health Services Providers
B) Micro-Finance Institutions with Asset size over Rs. 500 crore shall receive loans from Small Finance Banks under PSL
C) Banks shall use upto 50% of the Floating provisions on Non-Performing Assets
1) Only B & C
2) Only A & C
3) All A, B & C
4) Only A
5) Only A & B
Answer- **5) Only A & B**

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Explanation:
RBI announced a series of measures and Comprehensive strategies to support all stakeholders from the second wave of COVID-19 related economic difficulties.
i.RBI announced an on-tap liquidity window of Rs 50,000 crore with 3 years of maturity and at repo rate till March 31, 2022 under the priority sector lending classification to Emergency Health Services Providers.
ii.RBI permitted the Small Finance Banks' (SFBs) lending to Micro-Finance Institutions (MFIs) for on-lending to individuals under the classification of priority sector lending (PSL) for which the MFIs need to have Rs 500 crore asset size.
iii. Banks are allowed by RBI to utilise 100% floating provisions/counter-cyclical provisioning buffer for Non-Performing Assets.

25.What is RBI's revised maximum Overdraft duration on Quarterly basis for State Government's, as of May 2021?
1) 21 days
2) 14 days
3) 50 days
4) 36 days
5) 45 days
Answer- **3) 50 days**
Explanation:
To support State Governments to manage their fiscal situation, RBI has increased the maximum number of days of the OverDraft (OD) facility in a **quarter** from **36 to 50 days** and the number of **consecutive** days of OD from **14 to 21 days.**

26.Globally, LIC is the _____ most Valuable Insurance Brand & _____ Strongest brand as per the "Insurance 100 2021" report.
1) 10th, 3rd
2) 2nd, 5th
3) 8th, 2nd
4) 12th, 3rd
5) 10th, 5th
Answer- **1) 10th, 3rd**
Explanation:
Brand Finance, a London-based brand valuation consultancy firm in its annual report on the most valuable and strongest insurance brands – "Insurance 100 2021", reported the Life Insurance Corporation (**LIC**) as the **3rd** strongest and the **10th** most valuable insurance brand globally.

27.Which bank was selected as the digital payments partner of the National Agriculture Market (eNAM) in May 2021?
1) Bank of Baroda
2) HDFC Bank
3) State Bank of India
4) Axis Bank
5) Kotak Mahindra Bank
Answer- **5) Kotak Mahindra Bank**

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Explanation:
Kotak Mahindra Bank was selected as a digital payments partner by the National Agriculture Market (eNAM) to facilitate online transactions for all stakeholders on the eNAM platform.
i.eNAM is an agri e-marketplace that facilitates buying & selling of agricultural commodities. It was established by networking Agricultural Produce Market Committees (APMCs).

28.IRDAI issued guidelines for Standard Domestic Travel Insurance Product (SDTIP) in India with health coverage upto _____ on hospitalization and upto _____ in case of death of the insured.
1) Rs 10 lakh, Rs 2 crore
2) Rs 1 lakh, Rs 1 crore
3) Rs 5 lakh, Rs 1 crore
4) Rs 5 Lakh, Rs 2 crore
5) Rs 10 lakh, Rs 1 crore
Answer- **5) Rs 10 lakh, Rs 1 crore**
Explanation:
IRDAI issued guidelines on Bharat Yatra Suraksha, the Standard Domestic Travel Insurance Product (SDTIP) of india. The standard product consists of 5-different plans under the standard travel insurance product.
i.Plan Covers travel through Cab/Bus, Train, Air & Ship with various health coverages.
ii. The coverage provides indemnity-based payment for hospitalization expenses ranging from Rs1 lakh to Rs10 lakh and an accidental death benefit ranging from Rs1 lakh to Rs1 crore.

29.What is India's GDP projections for FY22 as per Fitch Ratings, as of May 2021?
1) 8.9%
2) 12.8%
3) 9.5%
4) 11.4%
5) 10.8%
Answer- **3) 9.5%**
Explanation:
Fitch Ratings reduced India's GDP growth forecast for FY22 to 9.5% due to COVID-19, it earlier estimated a 12.8% growth for FY22 in March 2021.
On May 05, 2021, S&P Global Ratings revised India's GDP growth forecast for FY22 to 9.8%.

30.Which Mutual Fund company recently (in May'21) launched an open ended Fund of Fund scheme for investing in Schroder International Selection Fund (SISF) Global Disruption?
1) Mirae Asset Mutual Fund
2) SBI Mutual Fund
3) Tata Mutual Fund
4) Franklin Templeton Investments
5) Axis Mutual Fund
Answer- **5) Axis Mutual Fund**

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Explanation:
On May 6,2021, Axis Mutual Fund launched a mutual fund scheme called Axis Global Innovation Fund of Fund to provide opportunity for investors to invest in Schroder International Selection Fund (SISF) Global Disruption to provide capital growth for the company.

31. In May 2021, _____ provided financial assistance worth Rs. 9,162 crores to _____ for the development of agriculture and allied sectors.
1) Reserve Bank of India, Tamil Nadu
2) NABARD, Gujarat
3) Reserve Bank of India, West Bengal
4) Reserve Bank of India, Gujarat
5) NABARD, West Bengal
Answer- **5) NABARD, West Bengal**
Explanation:
In FY21, National Bank for Agriculture and Rural Development (NABARD) gave financial support of Rs 9,162 crore to West Bengal(WB) for the development of agriculture and allied sectors under Covid-19.
i.In FY21, NABARD under its Rural Infrastructure Development Fund (RIDF) has sanctioned 2284 new rural infrastructure projects to WB worth Rs.1659.62 crores.

32. Which company recently (in May'21) entered into the 100 most-valued Indian firms' club with a Market Capital of Rs. 55,500 crores?
1) SAIL
2) Power Grid
3) GAIL
4) BHEL
5) IOCL
Answer- **1) SAIL**
Explanation:
With Rs 55,500 crore market capitalisation (m-cap), Steel Authority of India Limited(SAIL) enters 100 most-valued Indian firms' club.

33. Which Regional Rural Bank was awarded with 5 awards by the Pension Fund Regulatory and Development Authority for various enrollment of Atal Pension Yojana?
1) Puduvai Bharathiar Grama Bank
2) Rajasthan Marudhara Gramin Bank
3) Karnataka Vikas Grameena Bank
4) Himachal Pradesh Gramin Bank
5) Andhra Pradesh Grameena Vikas Bank
Answer- **3) Karnataka Vikas Grameena Bank**
Explanation:
Karnataka Vikas Grameena Bank (KVGB), has bagged top 5 awards from the Pension Fund Regulatory and Development Authority (**PFRDA**) due to the various campaigns held under KVGB for **enrollment of Atal Pension Yojana** (APY).
5 Awards – Lead to Leap, APY Makers of Excellence, Game Changers, Leadership Capital and Amazing Achievers

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34. In May 2021, RBI framed the Regulations Review Authority (RRA 2.0) for reviewing its regulations and compliance procedures.
What are the points that are correctly related to RBI & its initiatives?
A) RBI appointed Sudarshan Sen as the head of Regulations Review Authority (RRA 2.0) advisory committee
B) Under Operation Twist, RBI conducts Simultaneous purchase & sale of government securities through open market operations
C) RBI was established on the recommendation of the Hilton Young Commission
1) Only B
2) Only B & C
3) Only C
4) All A, B & C
5) Only A & B
Answer- **2) Only B & C**
Explanation:
RBI's **Regulations Review Authority (RRA 2.0)** has constituted a 6-member Advisory Group headed by **S Janakiraman**, Managing Director of State Bank of India to support in reviewing the RBI's regulations and compliance procedures to streamline/ rationalise them to make them more effective.
i.RBI conducted the Simultaneous purchase and sale of government securities(**G-Sec**) (**Operation Twist**) each worth Rs 10,000 crore under open market operations (**OMOs**) in May 2021.
ii.RBI was established on the recommendation of the **Hilton Young Commission**

35. In May 2021, the Labour Ministry notified changes in the investment pattern of the Employees Provident Fund Organisation (EPFO).
Which of the following points are correct with respect to the changes made?
A) EPFO can invest up to 5% of surplus in Alternative Investment Funds (AIFs)
B) Investments can be made only in AIFs with a corpus equal to or more than Rs 100 crore
C) Investment can be made in AIFs in India & Overseas
1) Only A & C
2) Only B & C
3) Only C
4) All A, B & C
5) Only A & B
Answer- **5) Only A & B**
Explanation:
The Labour Ministry has notified the changes in the investment pattern of the Employees Provident Fund Organisation(**EPFO**), which allowed it to make an investment of up to **5%** of its investible surplus in **Alternative Investment Funds** (AIFs).
i.Investments can be made only in AIFs with a corpus equal to or more than **Rs 100 crore**.
ii. Directly or indirect **investments** in securities of the companies or funds which are incorporated and/or operated **outside India is not allowed**.

36. Which organisation renamed Institutional Trading Platform as "Innovators Growth Platform" to boost the listing of startup companies?
1) Reserve Bank of India
2) Insolvency and Bankruptcy Board of India

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3) Securities and Exchange Board of India
4) National Payments Corporation of India
5) National Company Law Tribunal
Answer- **3) Securities and Exchange Board of India**
Explanation:
SEBI amended the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018, called SEBI (Issue of Capital and Disclosure Requirements) (Second Amendment) Regulations, 2021.
i.In order to boost the listing of start-ups renamed Institutional Trading Platform (ITP) (formed in 2015) as **Innovators Growth Platform**.

37. Which NBFC launched the public awareness campaign on financial frauds called "Savdhan Rahein, Safe Rahein"?
1) Bajaj Finserv
2) Moneyboxx Finance
3) Power Finance Corporation
4) Magma Fincorp
5) Muthoot Finance
Answer- **1) Bajaj Finserv**
Explanation:
Bajaj Finserv launched **'Savdhan Rahein, Safe Rahein'**, a public awareness campaign on financial fraud risks to educate customers and public at large on financial fraud risks and how to stay protected across digital and social media platforms.
About Bajaj Finserv:
Chairman and Managing Director(CMD): Sanjiv Bajaj
Headquarters: Pune, Maharashtra
Chatbot: Blu

38.In which Insurance company did Carlyle Groups sell 4% of stake worth Rs 3,900 crores in Open Market (in May'21)?
1) IndiaFirst Life Insurance
2) PNB MetLife India Insurance
3) Tata AIA Life Insurance
4) SBI Life Insurance
5) Kotak Mahindra Life Insurance
Answer- **4) SBI Life Insurance**
Explanation:
Carlyle Group, a private equity firm through its entity CA Emerald Investment, sold a 4% stake (amounting to 4.1 crore shares) in SBI Life Insurance for over Rs 3,900 crore through an open market transaction.
About SBI Life Insurance:
Establishment – October 2000
Chairman – Dinesh Kumar Khara
Tagline – With us, You're sure

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39. Which bank launched the Chatbot called 'Eva' on the Digital Seva Portal of Common Services Centers (CSCs) to provide banking services to rural India?

1) HDFC Bank
2) Canara Bank
3) State Bank of India
4) Axis Bank
5) ICICI Bank

Answer- **1) HDFC Bank**

Explanation:

HDFC Bank and Common Services Centers (CSCs) announced the launch of a **chatbot** called **'Eva'** on CSC's Digital Seva Portal to support Village Level Entrepreneurs (VLEs). This will provide banking services to last-mile rural consumers.

About HDFC Bank:

Establishment – 1994
Headquarters– Mumbai, Maharashtra
MD & CEO – Sashidhar Jagdishan
Tagline– We understand your world

40. Pick the NBFC that recently (in May'21) got authorization from RBI for issuing semi-closed repaid Payment Instruments(PPIs)?

1) Bajaj Finance
2) Moneyboxx Finance
3) Power Finance Corporation
4) Magma Fincorp
5) Muthoot Finance

Answer- **1) Bajaj Finance**

Explanation:

Bajaj Finance got authorization from the Reserve Bank of India (RBI) for the issuance and operation of semi-closed Prepaid Payment Instruments(PPIs) with perpetual validity.

Semi-closed PPIs are issued by banks & non-banks for the purchase of goods and services, including financial services, remittance facilities, etc. These instruments **do not permit cash withdrawal.**

41.Which Indian company was named as the 2nd fastest-growing retailer in the world in the "2021 Ranking of Global retail powerhouses" report?

1) Big Bazaar
2) Future Retail
3) Reliance Retail
4) Flipkart
5) ITC Limited

Answer- **3) Reliance Retail**

Explanation:

In the "2021 Ranking of Global retail powerhouses" by Deloitte, millionaire Mukesh Ambani's Reliance Retail Ltd has been ranked the 2nd fastest-growing retailer in the world, which is 1 rank down from its 2020 rank (In 2020 it was ranked 1st).

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42. Which organisation formulated the 'Asia Pacific Tax Hub' to enhance International Cooperation for strengthening global tax administration?

1) Asia-Pacific Economic Cooperation
2) Asian Development Bank
3) Association of Southeast Asian Nations
4) New Development Bank
5) World Trade Organization

Answer- **2) Asian Development Bank**

Explanation:

Asian Development Bank (**ADB**) launched the **'Asia Pacific Tax Hub'** to enhance International Tax Cooperation for promoting strategic policy dialogue, improving knowledge sharing & strengthening coordination on tax policy and administration among ADB members.

Finance Minister Nirmala Sitharaman participated in ADB's 54th Annual Meeting 2021, where she highlighted the importance of setting up of **SAARC COVID-19 Emergency Fund**.

About Asian Development Bank (ADB):

President – Masatsugu Asakawa
Headquarters – Manila, Philippines
Establishment year – 1966

43. Which financial service company (in May'21) partnered with NIRA to provide personal loan upto Rs. 1 lakh to its customers through NIRA mobile app?

1) Bajaj Finserv
2) India Infoline
3) HDB Financial Services
4) Muthoot Finance
5) Tata Capital

Answer- **4) Muthoot Finance**

Explanation:

Muthoot Finance Limited collaborated with NIRA, a Bangalore-based fintech start-up to provide personal **loans up to Rs 1 lakh** from Muthoot Finance through the **NIRA app.**

About Muthoot Finance Limited:

Managing Director – George Alexander Muthoot
Headquarters – Kochi, Kerala

44.Which bank (in May'21) entered into a strategic tie-up with UAE based Mashreq Bank to facilitate money transfers between UAE & India?

1) Axis Bank
2) ICICI Bank
3) RBL Bank
4) IndusInd Bank
5) Federal Bank

Answer- **5) Federal Bank**

Explanation:

Federal Bank entered into a strategic tie-up with UAE based **Mashreq Bank**, to facilitate money transfers from the UAE to India. The partnership will support Mashreq's payment product "QuickRemit".

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About Federal Bank:
Headquarter- Aluva, Kerala.
MD & CEO- Shyam Srinivasan
Tagline- Your Perfect Banking Partner

45.In May, RBI announced guidelines for Scheduled Private Banks & amended the master directions on KYC.
Identify the points that are correct with respect to the RBI guidelines.
A) Scheduled Private Banks which are not under Prompt Corrective Action can undertake govt. businesses after the approval of RBI
B) All bank accounts opened using OTP based e-KYC, will not be allowed for more than 1 year without further identification
C) KYC updating can be done in banks using e-documents downloaded from DigiLocker
1) Only C
2) Only B & C
3) Only A & C
4) All A, B & C
5) Only A & B
Answer- **4) All A, B & C**
Explanation:
RBI revised the existing guidelines on "Appointment of Scheduled Private Sector Banks as Agency Banks of RBI".
i.Scheduled Private Sector Banks (which do not have agency agreement with RBI) can undertake government business, on the approval of RBI, only if it is not under the Prompt Corrective Action (PCA) framework of the RBI.
ii. Existing bank accounts opened using OTP based e-KYC, will not be allowed for more than **1 year** without further identification.
iii. Identification could be obtained using any one of the following for Video based-KYC:

- OTP based Aadhaar e-KYC authentication
- Offline Verification of Aadhaar
- KYC records downloaded from CKYCR
- Equivalent e-document of Officially Valid Documents (OVDs) like those from DigiLocker

Note - T Rabi Sankar was appointed as the Deputy Governor of RBI in May 2021.

46.In May 2021, RBI appointed _____ as the Executive Director of RBI, who will be in charge of the Human Resource Management Department.
1) Swaminathan Gurumurthy
2) Natarajan Chandrasekaran
3) Revathy Iyer
4) Sachin Chaturvedi
5) Jose J Kattoor
Answer- **5) Jose J Kattoor**
Explanation:
RBI appointed Jose J Kattoor as its Executive Director (ED) with effect from 4th May 2021. He will manage the Human Resource Management Department, Corporate Strategy and Budget Department and Rajbhasha Department.

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47.Which country's Pension Plan Investment Board recently (in May'21) acquired 15.9% shares of the Chennai based IndInfravit Trust?

1) Finland
2) Norway
3) Canada
4) Belgium
5) Netherlands

Answer- **3) Canada**

Explanation:

The Canada Pension Plan Investment Board (CPP Investments) acquired an additional 15.9% of the total units in IndInfravit Trust, an infrastructure investment trust (InvIT), through 2 separate transactions, for Rs 1,005 crore

About IndInfravit Trust:

It is India's 1st private InvIT

Headquarters – Chennai, Tamil Nadu

CEO – Pawan Kant

48.Which company is under the process of acquiring 58.20% shares of Sri Lanka based- Ideal Finance Ltd?

1) Shriram City Union Finance
2) Mahindra & Mahindra Financial Services
3) Power Finance Corporation
4) Bajaj Finserv
5) Cholamandalam Investment & Finance Company

Answer- **2) Mahindra & Mahindra Financial Services**

Explanation:

Due to COVID-19, Mahindra & Mahindra Financial Services (MMFS) has extended the date of investment of the third and final tranche for the acquisition of shares of the total 58.20% shares in the Sri Lanka based- Ideal Finance Ltd (from its existing shareholders) to September 30, 2021.

49.Which bank (in May'21) partnered with Geojit Financial Services to provide a single account equivalent of Savings, Demat & Trading accounts?

1) South Indian Bank
2) Federal Bank
3) Canara Bank
4) Axis Bank
5) Punjab National Bank

Answer- **5) Punjab National Bank**

Explanation:

Geojit Financial Services has entered into an agreement with the Punjab National Bank (PNB) to provide the advantage of a three-in-one account to the customers of PNB. (ie; Savings Account, Demat Account & Trading Account).

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50. _____ issued guidelines for Top 1,000 listed companies to provide Reports of Environmental effects due to the company on a mandatory basis from _____.

1) RBI, FY22
2) SEBI, FY23
3) Supreme Court of India, FY22
4) SEBI, FY22
5) Supreme Court of India, FY23

Answer- **2) SEBI, FY23**

Explanation:

SEBI issued new disclosure norms over the Business Responsibility and Sustainability Report (BRSR), for the **top 1,000 listed companies** (by market capitalisation), which will be mandatory from **FY23**.

i.Under the new norms, the companies have to report:

Environment-related disclosures, Social-related disclosures, Community level Social Impact Assessments (SIA).

51.Which payment provider recently (in May'21) introduced a feature that enables International Money Transfers from US to India & Singapore?

1) Google Pay
2) Venmo
3) Apple Pay
4) PhonePe
5) Jio Pay

Answer- **1) Google Pay**

Explanation:

Google Pay launched International Money Transfers for its United States (US) users, it has launched the initiative in partnership with remittance firms – Wise, and Western Union.

i.Using this feature, Google Pay users in the **US** can transfer money to Google Pay users in **India & Singapore**.

52.Which bank's mobile app in partnership with Shivrai Technologies launched "Farmizo Khata" a farm accounting mobile app?

1) CANDI by Canara Bank
2) Mobile+ by IDBI Bank
3) YONO by SBI
4) M-Connect Plus by Bank of Baroda
5) iMobile by ICICI Bank

Answer- **3) YONO by SBI**

Explanation:

Shivrai Technologies partnered with leading digital banking platform, Yono SBI to launch a B2C Farm accounting mobile application, Farmizo Khata.

53.India's GDP was projected to grow by 7.5% in 2021 as per the World Economic Situation and Prospects (WESP) report released in May 2021.
Identify the points that are correct with respect to the report:
A) WESP report was released by World Economic Forum
B) India's GDP is projected to grow at 10.1% in 2022

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C) Global economy is projected to grow by 2.4% in 2021

1) Only B & C
2) Only C
3) Only A & C
4) Only B
5) Only A & B

Answer- 4**) Only B**

Explanation:

In its mid-year report of the World Economic Situation and Prospects (WESP), United Nations (UN) has increased India's GDP growth forecast for the calendar year 2021 to 7.5 %, a 0.2 percent increase from its earlier projection (January 2021 projection – 7.3%) following a contraction of 6.8 % (-6.8) in 2020.

i.The report forecasted **India's** GDP to grow at **10.1% in 2022**.

ii. The **global** economy is projected to expand by **5.4% in 2021** following a sharp contraction of 3.6% in 2020.

54. In May 2021, Nomura revised India's GDP estimate for FY22 to _____, while it was projected to grow by 11% by _____.

1) 12.6%, CRISIL
2) 10.8%, TransUnion
3) 10.8%, CRISIL
4) 12.6%, TransUnion
5) 11.5%, TransUnion

Answer- **3) 10.8%, CRISIL**

Explanation:

Nomura revised India's GDP growth forecast for the FY22 fiscal to 10.8% from 12.6%.

CRISIL estimated India's growth estimation for FY22 to be 11%.

55. In May 2021, _____ revised its GDP projections for FY22 to 7.9% while Care Ratings revised its GDP forecast to _____.

1) Fitch Ratings, 6.2%
2) Moody's, 6.2%
3) Fitch Ratings, 9.2%
4) Moody's, 9.2%
5) Fitch Ratings, 10.2%

Answer- **4) Moody's, 9.2%**

Explanation:

Moody's Investors Service revised India's growth forecast for FY22 to 7.9% from 6.2%.

Care Ratings revised its GDP growth forecast for FY22 to 9.2 % from 10.2%.

56.Who recently (in May'21) became the 1st CEO of National Asset Reconstruction Company Ltd (NARCL)?

1) Padmakumar Madhavan Nair
2) Roshni Nadar Malhotra
3) Sunil Mehta
4) Vikash Srivastava
5) Rajkiran Rai G

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Answer- **1) Padmakumar Madhavan Nair**
Explanation:
Padmakumar Madhavan Nair, Chief General Manager of Stressed Assets Resolution Group at State Bank of India(SBI) appointed as the **1st Chief Executive Officer(CEO)** of the National Asset Reconstruction Company Ltd (**NARCL**).

57. In which bank did Bay Tree India Holdings sell 2% of its stakes (in May'21) through Open Market?
1) Axis Bank
2) Bank of Baroda
3) ICICI Bank
4) YES Bank
5) Union Bank of India
Answer- **4) YES Bank**
Explanation:
Bay Tree India Holdings, owned by Tilden Park has sold over 2% stake in YES Bank through open market transactions.
Note - SBI is the largest shareholder of YES Bank.

58.India's remittance inflow dropped by 0.2% in 2020 from 2019 as per the "Resilience COVID-19 Crisis Through a Migration Lens" report.
Identify the points that are correct with respect to the findings of the report:
A) The report was released by World Trade Organisation
B) China topped in the remittance inflow in 2020 among the countries with Low & Middle income
C) India's remittance decline was due to 17% outflow drop from UAE
1) Only C
2) Only B & C
3) All A, B & C
4) Only A & B
5) Only B
Answer- **1) Only C**
Explanation:
According to **Resilience COVID-19 Crisis Through a Migration Lens** report released by the **World Bank**, **India** received USD 83 Billion as Remittances in 2020, a drop of just 0.2% from 2019 (USD 83.3 Billion in 2019). It **topped the list of Low- and Middle-Income Countries** with maximum Remittance Inflows, India was followed by China (USD 59.5 Billion), Mexico (USD 42.8 Billion).
i.India's decline was due to a **17% drop** in remittance from the United Arab Emirates (**UAE**).

59.On which Co-operative Bank did RBI extend its restrictions (in May'21) under Section 56 of the Banking Regulation Act, 1949?
1) Bhagyodaya Friends Urban Co-operative Bank
2) Shivalik Mercantile Co-operative Bank
3) Independence Co-operative Bank
4) Mantha Urban Co-operative Bank
5) Millath Co-operative Bank
Answer- **5) Millath Co-operative Bank**

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Explanation:
Under **Section 35A** read with **Section 56** of the Banking Regulation Act, 1949, the Reserve Bank of India(**RBI**), extended the restriction on Karnataka-based **Millath Co-operative Bank**, for 3 months i.e up to August 7, 2021. The restrictions include making any investment, loans, borrowing funds etc.

60.In May 2021, Indian Govt. approved the issuance of Sovereign Gold Bonds for FY22 in 6 trenches.
Identify the points that are correct in relation to Sovereign Gold Bonds:
A) The bonds will be sold by RBI only through Stock Exchanges in India
B) Maximum Purchase limit for an Individual is 4 Kgs for a financial year
C) Maturity duration of the bonds is 8 years
1) Only A
2) Only B & C
3) All A, B & C
4) Only A & B
5) Only C
Answer- **2) Only B & C**
Explanation:
The Government of India, in consultation with the RBI, decided to issue Sovereign Gold Bonds FY22. The Sovereign Gold Bonds will be **issued in 6 tranches** from May 2021 to September 2021.
i.It will be sold by RBI through recognised Stock Exchanges, Scheduled Commercial banks (except Small Finance Banks & Payment Banks), Stock Holding Corporation of India Limited (SHCIL), designated post offices.
ii. Maximum purchase limit - **4 Kgs** for individual & Hindu Undivided Family (HUF) and **20 Kgs** for trusts and similar entities for a FY (April-March)
iii. Tenure - **8 years** with exit option after 5th year
iv. Interest rate is fixed at **2.50%** per annum

61.Which financial institution (in May'21) enabled Foreign Inward Remittance Advice (FIRA) digitally for Indian merchants?
1) PayPal
2) American Express
3) Google Pay
4) Paytm
5) PhonePe
Answer- **1) PayPal**
Explanation:
PayPal, the Digital payments provider, introduced an automated process to receive monthly **Foreign Inward Remittance Advice (FIRA**) digitally, allowing Indian merchants to download their monthly digital FIRA issued by banks.
About PayPal:
Establishment – December 1998
President & CEO– Dan Schulman
Headquarters– San Jose, California

62.Which company recently (in May'21) got approval from RBI to operate as a Prepaid Payment Instruments (PPI) company?

1) CreditMantri
2) Eroute Technologies
3) Financial Software Systems
4) Instamojo
5) Shiksha Finance

Answer- **2) Eroute Technologies**

Explanation:

RBI granted permission to **Eroute Technologies** to operate as a Prepaid Payment Instruments (PPI) company.

About Eroute Technologies:

Headquarters: Noida, Uttar Pradesh

63.In May 2021, Changes were made to the Dividend Distribution Policy and Alternative Investment Funds (AIF) norms.
What are the points that are correctly related to the changes made?
A) A company to be named as Startup shall fulfils the criteria specified by the Department of Promotion of Industry and Internal Trade
B) Dividend Distribution Policy is mandatory for all Top 1000 listed companies
C) The changes were made under the regulatory guidelines issued by SEBI

1) Only A
2) Only B & C
3) All A, B & C
4) Only A & B
5) Only C

Answer- **3) All A, B & C**

Explanation:

SEBI amended the Alternative Investment Funds (AIF) norms called SEBI (AIFs) (Second Amendment) Regulations, 2021 in May 2021 to add – definition of Start-up for the investment by Angel Funds and regulations over the AIFs.

i.Amendments over the AIFs:

Definition of Start-up: It means a private limited company or a limited liability partnership which fulfils the criteria for a startup as specified by the Department of Promotion of Industry and Internal Trade, Ministry of Commerce and Industry, Government of India.

ii. To strengthen the corporate governance practices and disclosure requirements, SEBI has made it mandatory for the top 1,000 listed firms to formulate a dividend distribution policy(DDP).

64.Which company (as of May'21) raised Rs 455 crores by issuing bonds?

1) ICICI direct
2) Angel Broking
3) SBI Cards and Payment Services
4) HDFC Securities
5) Motilal Oswal Financial Services

Answer- **3) SBI Cards and Payment Services**

Explanation:

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Rs 455 crore has been raised by SBI Cards and Payment Services (**SBI Card**) by issuing bonds. These bonds will offer coupons at 5.70 percent per annum which will mature on May 10, 2024

65. In May 2021, the 1st residential project constructed under the SWAMIH Fund was completed. Identify the points that are correct with respect to the SWAMIH fund:
A) Special Window for Affordable and Mid-Income Housing (SWAMIH) fund provides loans to stalled housing projects due to lack of funding
B) SWAMIH is a INR 25, 000 Crore fund having 14 investors, with the Government of India holding 50% in the fund
C) Criteria - Carpet area of the house shall not exceed 1000 square feet
1) All A, B & C
2) Only B & C
3) Only C
4) Only A & C
5) Only A & B
Answer- **5) Only A & B**
Explanation:
Union Minister for Finance Nirmala Sitharaman has stated that the Real Estate Fund – **'Special Window for Affordable and Mid-Income Housing (SWAMIH) Investment Fund I'** will benefit 1.16 lakh **home loan borrowers**, whose **housing projects were stalled due to funding issues.**
i.On May 13, 2021, SWAMIH Fund Completed its **1st Residential Project** – 'Rivali Park Wintergreens' is located in **Mumbai, Maharashtra**.
ii.SWAMIH is a **INR 25, 000 Crore fund** having 14 investors, with the Government of India holding **50%** in the fund.
iii.Criteria - Houses which don't exceed **200 square metre** of carpet area.
Note - 100% FDI in Real Estate Sector in India.

66. Name the Payment Bank that partnered with the digital gold provider "SafeGold" to launch "DigiGold", a platform to invest in 24K gold
1) Jio Payments Bank
2) Airtel Payment Bank
3) Paytm Payment Bank
4) Fino Payment Bank
5) Indian Post Payment Bank
Answer- **2) Airtel Payment Bank**
Explanation:
Airtel Payments Bank in partnership with **SafeGold**, a digital gold provider, launched a digital platform called **'DigiGold'** – for its customers to make an investment in gold.
i.Under this, Airtel Payments Bank's saving account customers are enabled to **invest in 24K gold using the Airtel Thanks app**.

67. In May 2021, RBI cancelled the license of which cooperative bank?
1) Bhagyodaya Friends Urban Co-operative Bank
2) Shivalik Mercantile Co-operative Bank
3) Independence Co-operative Bank
4) Mantha Urban Co-operative Bank

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5) United Co-operative Bank
Answer- **5) United Co-operative Bank**
Explanation:
RBI cancelled the license of United Co-operative Bank Ltd., Bagnan, West Bengal in May 2021, as the bank does not have adequate capital and earning prospects to pay its present depositors in full.

68. Identify the company that partnered (in May'21) with Japan's SoftBank group to promote its satellite communication service in Japanese market.
1) SpaceX
2) AsiaSat
3) OneWeb
4) Bharti Airtel
5) Jio
Answer- **3) OneWeb**
Explanation:
OneWeb (a venture backed by Sunil Mittal) has signed a Cooperative agreement with SoftBank Group Corp, a Japanese multinational holding company to promote its satellite communication services in the Global and Japan markets.

69. Which bank recently (in May'21) got approval from Indian Govt. to sell equity shares worth Rs. 4,100 crores for its capital infusion?
1) Allahabad Bank
2) Central Bank of India
3) Indian Overseas Bank
4) Bank of India
5) Andhra Bank
Answer- **3) Indian Overseas Bank**
Explanation:
Indian Overseas Bank (IOB) obtained approval from its shareholders through an Extraordinary General Meeting (EGM) for the issuance of over 246 crores equity shares to the Government of India (GoI) on a preferential basis for a capital infusion of Rs 4,100 crores by GoI in the bank.

70. Which bank was recently (in May'21) excluded by RBI from the Second Schedule of the RBI Act, 1934?
1) Lakshmi Vilas Bank
2) Karur Vysya Bank
3) Karnataka Bank
4) Punjab National Bank
5) Karnataka Bank
Answer- **1) Lakshmi Vilas Bank**
Explanation:
Reserve Bank of India(RBI) has excluded **Lakshmi Vilas Bank Ltd.(LVB)** from the Second Schedule of the RBI Act, 1934.
i.On November 17, 2020, the Government(Govt) (on the advice of RBI), imposed a 30-day moratorium for LVB with restricted cash withdrawal at Rs 25,000 per depositor.
ii. In November 2020, Govt allowed the **merging** of **LVB** (bank under crisis) with **DBS Bank India** Ltd.

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71. Which company made an agreement (in May'21) to acquire IndiaBulls Mutual Fund & Asset Management Company for Rs. 175 crores?

1) Groww
2) Moneycontrol
3) HDFC Securities
4) Zerodha
5) Angel Broking

Answer- **1) Groww**

Explanation:

Groww, an online investment platform, operated by Nextbillion Technology Pvt. Ltd made an agreement with **Indiabulls Housing Finance Ltd (IBHFL)** to acquire the mutual fund(MF) business of its subsidiaries Indiabulls Asset Management Company Ltd (**IAMCL**) and Trustee Company of IAMCL, for **Rs 175 crore**.

About Groww:

Headquarters – Bangalore, Karnataka
Co-founder & CEO – Lalit Keshre

72. _____ committed $3.92 billion in sovereign loans to India in 2020, including covid-19 financial assistance & $500 million for the 82 Kms high-speed _____ transit corridor.

1) Asian Development Bank, Delhi–Meerut
2) New Development Bank, Mumbai-Pune
3) New Development Bank, Delhi-Faridabad
4) New Development Bank, Delhi–Noida
5) Asian Development Bank, Pune-Nagpur

Answer- **1) Asian Development Bank, Delhi–Meerut**

Explanation:

Asian Development Bank (ADB) has committed **$3.92 billion** in sovereign loans for 13 projects to India in 2020, including $1.8 billion in projects to support the Government of India's coronavirus disease (COVID-19) pandemic response.

i.This is the highest-ever annual lending made by ADB to India.

ii.ADB has also committed $500 million to build a modern, high-speed 82-kilometre Delhi–Meerut Regional Rapid Transit system corridor.

About ADB:

Establishment -1966
Headquarters – Manila, Philippines
President – Masatsugu Asakawa

73. In FY21, _____ allocated a record high amount of Rs. 1,236 crores under Rural Infrastructure Development Fund (RIDF) for rural road connectivity projects in _____.

1) NHAI, Odisha
2) NHAI, Assam
3) NABARD, Chhattisgarh
4) NHAI, Chhattisgarh
5) NABARD, Assam

Answer- **5) NABARD, Assam**

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Explanation:
The National Bank for Agriculture and Rural Development (NABARD) provided a **record high** amount of **Rs 1,236 crore** from its Rural Infrastructure Development Fund **(RIDF)** of FY21, for the Rural Connectivity Projects (Roads & Bridges) in **Assam**.
About NABARD:
Establishment – 1982
Headquarters – Mumbai, Maharashtra
Chairman – G R Chintala

74. Which organisation developed the National Digital Financial Infrastructure (NADI) with next-generation network infrastructure like 5G/Edge Cloud with SDN?
1) Deposit Insurance and Credit Guarantee Corporation of India (DICGC)
2) Institute for Development and Research in Banking Technology (IDRBT)
3) Reserve Bank Information Technology Private Limited (ReBIT)
4) Indian Financial Technology and Allied Services (IFTAS)
5) National Payments Corporation of India (NPCI)
Answer- **2) Institute for Development and Research in Banking Technology (IDRBT)**
Explanation:
The Institute for Development and Research in Banking Technology (**IDRBT**), an arm of the Reserve Bank of India (RBI), is building a next-generation Digital Financial Infrastructure named **National Digital Financial Infrastructure (NADI)**.
i.Its modern network infrastructure of 5G/Edge Cloud with SDNs (software-defined networking) for connecting to the critical data centre infrastructure at the back-end.
About IDRBT:
It was established by the RBI in March **1996**
Headquarters – Hyderabad, Telangana

75.Which bank recently (in May'21) launched a micro-website to provide data of various Covid-19 related emergency needs to its employees?
1) State Bank of India
2) Canara Bank
3) Bank of Baroda
4) Indian Overseas Bank
5) Bank of India
Answer- **3) Bank of Baroda**
Explanation:
Bank of Baroda launched a Micro-website that will serve as an emergency networking platform for **all its employees** amid the second wave of COVID-19.
It provides Various data, like a network of plasma donors to employees and Recovered employees can also enroll themselves voluntarily as donors.

76.Which company received the final approval from Competition Commission of India (CCI) to acquire Dewan Housing Finance Corporation Ltd. (DHFL)?
1) Oaktree Capital Management
2) Piramal Capital and Housing Finance
3) Adani Group

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4) SC Lowy Financial
5) Brookfield Asset Management
Answer- **2) Piramal Capital and Housing Finance**
Explanation:
Piramal Capital and Housing Finance (**PCHF**), a subsidiary of Piramal Enterprises (PE), received approval from the Competition Commission of India (CCI) to acquire Dewan Housing Finance Corporation Ltd. (**DHFL**) with a total payment of around **Rs 35,000 crores.**
i.DHFL was the **1st finance company to be referred to NCLT** by the RBI

77.Which Small Finance Bank (SFB) announced a new feature called "I choose my number" to enable its customers to choose their favourite numbers for savings or current account?
1) ESAF SFB
2) Ujjivan SFB
3) Utkarsh SFB
4) Jana SFB
5) Equitas SFB
Answer- **4) Jana SFB**
Explanation:
In order to make banking to be simple and personalised, **Jana Small Finance Bank**, came up with a feature called **'I choose my number'**, that allows its customers to choose their favourite numbers for their **savings or current account**.

78.What was the approximate amount of Exports made by India in the month of April 2021?
1) $52.61 billion
2) $48.07 billion
3) $30.63 billion
4) $17.28 billion
5) $10.36billion
Answer- **3) $30.63 billion**
Explanation:
In May 2021, the Union Ministry of Commerce & Industry reported a **3-fold increase in India's export** for the month of April 2021, to **$30.63 billion** from $10.36 billion of April 2020, due to healthy growth in sectors like gems and jewellery, and engineering.

79.In May 2021, a new regulatory framework for Vault Managers of Gold Exchanges in India was proposed.
What are the points that are correctly related to Gold Exchanges in India?
A) The Regulatory framework was proposed by Reserve Bank of India
B) India is the world's 2nd largest consumer of Gold
C) Gold Exchanges issue "Electronic Gold Receipt" (EGR) which can be converted into physical gold
1) Only B
2) All A, B & C
3) Only C
4) Only A & C
5) Only B & C

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Answer- **5) Only B & C**

Explanation:

Securities and Exchange Board of India(**SEBI**) issued a Consultation Paper detailing the Proposed framework for the **Gold Exchange in India** and the draft SEBI (Vault Managers) Regulations, 2021 for regulating the gold exchange-related business of the Vault Managers.

i.The Gold Exchange instruments are termed as **"Electronic Gold Receipt" (EGR)**. EGRs will be held in **Demat form** and can be converted into physical gold when needed.

ii. Globally, **India** is the **2nd** largest consumer of gold after China.

80.With which Insurance company PayPoint India partnered (in May'21) to provide COVID-19 Health Insurance policy to rural India?

1) Royal Sundaram General Insurance
2) ManipalCigna Health Insurance
3) Liberty General Insurance
4) Digit General Insurance
5) Max Bupa Health Insurance

Answer- **4) Digit General Insurance**

Explanation:

PayPoint India made a partnership with **Digit General Insurance** to provide affordable **COVID-19** Health Insurance policy to its customers in rural India. Under this partnership, Health Insurance coverage upto **Rs. 2 lakhs** is made.

81.Which Insurance Company launched the 1st of its kind portal Integrated Partner Onboarding Solution (IPOS) to its customers?

1) National General Insurance
2) Edelweiss General Insurance
3) Royal Sundaram General Insurance
4) Oriental General Insurance
5) Digit General Insurance

Answer- **2) Edelweiss General Insurance**

Explanation:

Edelweiss General Insurance(EGI), an InsurTech start-up has launched **Integrated Partner Onboarding Solution (IPOS),** an industry-first digital end to end partner onboarding solution.

i.IPOS is a fully automated portal dedicated to all partner-related onboarding requirements.

82.India's monthly Wholesale Price Index (WPI) inflation was _____ in April 2021 as per the data released by _____.

1) 10.49 %, Ministry of Finance
2) 7.39 %, Ministry of Finance
3) 10.49 %, NITI Aayog
4) 7.39 %, Ministry of Commerce & Industry
5) 10.49 %, Ministry of Commerce & Industry

Answer- **5) 10.49 %, Ministry of Commerce & Industry**

Explanation:

As per the data released by the Ministry of Commerce & Industry, India's annual rate of inflation (YoY), based on monthly WPI (Wholesale Price Index) accelerated to 10.49 percent in April 2021, (the highest

since April 2010) from 7.39 percent in March 2021 due to a hike in prices of food items, manufactured goods, fuel, and power.

83.In May 2021, Vandita Kaul was appointed as Government nominee Director of Which bank?
1) State Bank of India
2) Indian Overseas Bank
3) Union Bank of India
4) Bank of India
5) Central Bank of India
Answer- **4) Bank of India**
Explanation:
The Government of India has appointed **Vandita Kaul**, Additional Secretary in the Ministry of Finance, as government nominee director on the board of directors of **Bank of India**.

84.Who was appointed as the MD & CEO of Star Union Dai-ichi Life Insurance Company in May 2021?
1) Abhay Tewari
2) Devesh Srivastava
3) Siddhartha Mohanty
4) Sujay Banarji
5) S. C. Khuntia
Answer- **1) Abhay Tewari**
Explanation:
In May 2021, **Star Union Dai-ichi Life Insurance Company** Ltd (SUD LIFE) announced the appointment of **Abhay Tewari** as Managing Director and Chief Executive Officer(MD & CEO) of SUD LIFE.

85.Who led Indian delegates in the 4th India-Swiss Financial Dialogue that was virtually conducted in May 2021?
1) Shaktikanta Das
2) Ajay Seth
3) T V Somanathan
4) Debasish Panda
5) Nirmala Sitharaman
Answer- **2) Ajay Seth**
Explanation:
The **4th India-Swiss Financial Dialogue** was organised in a virtual manner from New Delhi and was attended by top level financial delegates of the two nations. Indian delegation was led by the Economic Affairs Secretary **Ajay Seth**.

86. In May 2021, the regulatory framework for Promoters & Promoter Groups was reviewed and certain proposals were made.
What are the points that are correctly related to the proposals made?
A) The proposals on Promoters were made by SEBI
B) Definition of "Promoters" is proposed to be changed as "Person of Marketing"
C) Lock-in period or minimum promoters' contribution (20%) is proposed as 1-year

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1) All A, B & C
2) Only B & C
3) Only A & B
4) Only A & C
5) Only C

Answer- **4) Only A & C**

Explanation:

SEBI reviewed the regulatory framework of the promoter, promoter group and group companies as per SEBI (Issue of Capital and Disclosure Requirements(ICDR)) Regulations, 2018 with certain proposals.

i.As the definition of the promoter is wide-ranging and goes beyond persons in control of the issuer, SEBI proposed the shifting of the concept of a "**Promoter**" to a "**Person in Control**".

ii.Lock-in period of 3 years for minimum promoters' contribution (**20%**) has been proposed to be reduced to **1 year**.

iii. Promoters' holding **above minimum promoters**' contribution, the **lock-in** period is changed from 1 year to **6 months**.

87.Which company got approval (in May'21) from CCI to acquire 100% shares of YES Asset Management Company?

1) Adani Group
2) GPL Finance and Investments
3) Kotak Mahindra Asset Management Company
4) Aditya Birla Group
5) Motilal Oswal Asset Management Company

Answer- **2) GPL Finance and Investments**

Explanation:

The Competition Commission of India (CCI) approved the acquisition of 100% equity shares of YES Asset Management Company (AMC) (India)(YES AMC) and YES Trustee Limited (YES Trustee) by **GPL Finance and Investments** Limited(GPL). GPL will acquire **Yes Mutual Fund** and become its sole sponsor.

i.CCI approved the acquisition of the remaining 25% shareholding of Adani Krishnapatnam Port Limited(AKPL) by Adani Ports and Special Economic Zone Limited(APSEZL)

88.In which bank Indian govt. recently (in May'21) sold Rs. 4,000 crore worth shares that was held by the govt under SUUTI

1) Indian Overseas Bank
2) Punjab National Bank
3) HDFC Bank
4) Citibank
5) Axis Bank

Answer- **5) Axis Bank**

Explanation:

Indian govt sold 58 million shares in **Axis Bank**, which is held through the Specified Undertaking of the Unit Trust of India (**SUUTI**) to raise around **Rs 4,000 crore**.

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89.Which company acquired over 46% shares of Kotak Mahindra Pension Fund Limited(KMPFL) from Kotak Mahindra Asset Management Company in May'21?

1) Tech Mahindra
2) IndusInd Bank
3) Persistent Systems
4) Kotak Mahindra Bank
5) ING Vysya Bank

Answer- **4) Kotak Mahindra Bank**

Explanation:

Kotak Mahindra Bank acquired around 46.7% equity of Kotak Mahindra Pension Fund Limited(KMPFL) from Kotak Mahindra Asset Management Company Limited(KMAMC).

About Kotak Mahindra Bank:

MD & CEO: Uday Kotak
Headquarters: Mumbai, Maharashtra
Tagline: Let's Make Money Simple, Ab Kona Kona Kotak

90._____ virtually represented India in the Summit on Financing of African Economies 2021 that was hosted by _____.

1) V Muraleedharan, South Africa
2) Nirmala Sitharaman, France
3) Subrahmanyam Jaishankar, South Africa
4) V Muraleedharan, France
5) Nirmala Sitharaman, Egypt

Answer- **4) V Muraleedharan, France**

Explanation:

Minister of State for External Affairs **V Muraleedharan** virtually represented India at the Summit on Financing of African Economies 2021 held at Paris, France on May 18, 2021. The event was held in a hybrid format (mix of in-person meetings & Video conferences) and was hosted by **France**.
i.He highlighted India's Covid-19 initiatives like **"Vaccine Maitri"**.

91.In May 2021, RBI issued regulatory guidelines for Prepaid payment instruments (PPIs) issuers.
What are the points that are correctly related to the regulations issued?
A) All PPI issuers are mandated to allow interoperability of UPI & Mobile wallets by May 31, 2021
B) Maximum outstanding loan amount for full-KYC PPIs is relaxed to Rs. 2 lakhs
C) Full-KYC PPIs maximum payment limit is increased to Rs. 2000/transaction

1) All A, B & C
2) Only B & C
3) Only A
4) Only A & C
5) Only A & B

Answer- **2) Only B & C**

Explanation:

RBI mandated all licensed Prepaid payment instruments (PPIs) issuers to give the Card holders of full-KYC PPIs or UPI & mobile wallets such as Paytm, PhonePe and Mobikwik to be **interoperable by March 31, 2022**.

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i.The maximum amount **outstanding** in full-KYC PPIs (KYC-compliant PPIs) has been increased from **Rs 1 lakh to Rs 2 lakhs** by RBI.
ii.RBI permitted Cash withdrawal from full-KYC PPIs issued by non-bank PPI issuers with a **Maximum limit of Rs 2,000 per transaction with an overall limit of Rs 10,000 per month per PPI.**

92. Which bank introduced 2 new first-of-its-kind Digital Banking Solution called 'SmartServe' and 'IntelliSign' to replace physical documentation procedure?
1) Deutsche Bank
2) HSBC Bank India
3) Standard Chartered
4) Citibank
5) ICICI Bank
Answer- **2) HSBC Bank India**
Explanation:
HSBC India has launched a first-of-its-kind Digital Banking Solution called **'HSBC SmartServe'** and **'HSBC IntelliSign'** to provide a quick, secure and seamless on-boarding process for its corporate customers.
Both the **API** enabled solutions are intending to **replace the documentation process** with a digital platform.

93.What is India's position in the Insurance-Technology market in the Asia-Pacific region as per the report released by S&P Global Market Intelligence?
1) 5th
2) 3rd
3) 4th
4) 1st
5) 2nd
Answer- **5) 2nd**
Explanation:
S&P Global Market Intelligence reported **India** as the **2nd largest** insurance-technology (**insurtech**) market in **Asia-Pacific(AP) region** after China, as it accounts for 35 percent/$1.28 billion of the total venture capital ($3.66 billion) poured into the insurtech sector in the AP region so far.
i.Insurance premiums in India for the FY20, summed up to **$107 billion**

94. Which bank (in May'21) moved to a fully digitised loan processing system for MSME & Agriculture products loans?
1) Indian Bank
2) Union Bank of India
3) IDBI Bank
4) Punjab National Bank
5) IDFC FIRST Bank
Answer- **3) IDBI Bank**
Explanation:
IDBI Bank announced the launch of its fully digitised, end-to-end, Loan Processing System (LPS) for its Micro, Small & Medium Enterprises(**MSME**) and **Agri** products.

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About IDBI:
Chairman: MR Kumar
MD & CEO: Rakesh Sharma
Headquarters: Mumbai, Maharashtra
Tagline: Bank Aisa Dost Jaisa

95.A technical group(TG) on Social Stock Exchanges (SSEs), constituted by SEBI, recommended not to allow the political & religious organizations to trade in Stock Exchanges. Who headed the TG on SSE?
1) Harsh Bhanwala
2) M. Damodaran
3) Ajay Tyagi
4) U. K. Sinha
5) Rajiv Kumar
Answer- **1) Harsh Bhanwala**
Explanation:
A technical group(TG) on **Social Stock Exchanges (SSEs), constituted by SEBI**, recommended **not to allow** the political and religious organizations, trade organizations, corporate foundations, infrastructure and housing companies to raise funds using the SSE mechanism.
i.SEBI had constituted a TG on SSE in September 2020 under the **Chairmanship of Harsh Bhanwala**, former chairman of NABARD.

96.Which stock exchange signed an MoU (in May'21) with Dun & Bradstreet Information Services India to promote the Small & Medium Enterprises environment?
1) London Stock Exchange
2) India International Exchange
3) National Stock Exchange
4) Bombay Stock Exchange
5) New York Stock Exchange
Answer- **4) Bombay Stock Exchange**
Explanation:
Bombay Stock Exchange(BSE) has signed an MoU with **Dun & Bradstreet Information Services India** to create an ecosystem for promoting, aiding and fostering the growth of Small and Medium Enterprises(SME).
i.BSE is the market leader in the SME segment with a market share of **61%**.
About BSE:
Establishment– 1875
Headquarter– Mumbai, Maharashtra

97.Which bank partnered with HyperVerge (in May'21) to obtain 'Video KYC solution' for improving its KYC infrastructure?
1) Axis Bank
2) Canara Bank
3) State Bank of India
4) HDFC Bank
5) Bank of Baroda

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Answer- **3) State Bank of India**
Explanation:
State Bank of India(SBI) made a partnership with **HyperVerge** to obtain its technology called **'Video KYC solution'** for onboarding customers online under COVID-19.
This will enable SBI to achieve 10x improvement over the regular video KYC checks performed per day per agent.
About HyperVerge:
Headquarters (India)– Bangalore, Karnataka
About SBI:
Establishment – 1st July 1955
Chairman – Dinesh Kumar Khara

98.On which bank RBI imposed a fine of Rs. 1 lakh (in May'21) for violation of RBI's Supervisory Action Framework?
1) Mantha Urban Cooperative Bank
2) Rajasthan Marudhara Gramin Bank
3) Paschim Banga Gramin Bank
4) Priyadarshini Mahila Nagari Sahakari Bank
5) Himachal Pradesh State Cooperative Bank
Answer- **4) Priyadarshini Mahila Nagari Sahakari Bank**
Explanation:
Maharashtra's Priyadarshini Mahila Nagari Sahakari Bank was imposed Rs 1 lakh penalty by the Reserve Bank of India (RBI) for violation of certain directions under the Supervisory Action Framework.

99.Which is the 1st bank to issue Foreign Portfolio Investment (FPL) to alternate investment funds incorporated in GIFT International Financial Services Centre?
1) State Bank of India
2) Indian Overseas Bank
3) HDFC Bank
4) Kotak Mahindra Bank
5) Axis Bank
Answer- **4) Kotak Mahindra Bank**
Explanation:
Kotak Mahindra Bank became the **1st bank to issue Foreign Portfolio Investments (FPI) license** to an Alternate Investment Fund (AIF) incorporated in **Gujarat International Finance Tec (GIFT)** International Financial Services Centre (IFSC), after its issuance of FPI license on May 20, 2021, to the GIFT IFSC AIF of True Beacon Global.

100.Which company partnered (in May'21) with Digital Swiss Gold (DSG) to enable its customers for digital transaction of gold in Switzerland?
1) Alankit Imaginations
2) Muthoot Finance
3) White Gold India
4) India Infoline
5) Edelweiss Broking
Answer- **1) Alankit Imaginations**

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Explanation:
Alankit Imaginations Ltd, a subsidiary of Alankit made partnership with **Digital Swiss Gold (DSG)** to enable individuals to transact in gold digitally in Switzerland.
An individual can buy gold starting from 1 gram and to a **maximum limit of $2,50,000 per financial year** under the Liberalised Remittance Scheme of the Reserve Bank of India(RBI).

101.Which insurer announced the new savings plan "Vision LifeIncome Plus Plan" that provides guaranteed regular income to policyholders?
1) Life Insurance Corporation
2) Edelweiss Tokio Life Insurance
3) Bajaj Allianz Life Insurance
4) Aditya Birla Sun Life Insurance
5) Aegon Life Insurance
Answer- **4) Aditya Birla Sun Life Insurance**
Explanation:
Aditya Birla Sun Life Insurance (ABSLI), the life insurance subsidiary of Aditya Birla Capital Limited (ABCL), launched a flexible savings plan named **'Vision LifeIncome Plus Plan'** to provide guaranteed regular income along with flexible bonus payouts to policyholders. It is a Non-Linked Insurance Plans (No link with Stock Market).
About Aditya Birla Sun Life Insurance:
Establishment – 2000
Headquarters – Mumbai, Maharashtra
MD & CEO – Kamlesh Rao

102.Which organisation (in May'21) imposed a fine of Rs. 5.25 crore on Cairn India for making a misleading announcement regarding the buyback of shares?
1) Ministry of Corporate Affairs
2) SEBI
3) IRDAI
4) RBI
5) National Company Law Tribunal
Answer- **2) SEBI**
Explanation:
SEBI imposed a penalty of **Rs 5.25 crore** on **Cairn India** for making a misleading announcement regarding the buyback of shares on January 14, 2014.

103.Identify the points that are correctly related to Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021:
A) The amendment rules for the FDI in insurance companies was notified by the IRDAI
B) As per the new amendments, FDI limit in insurance sector is increased to 51% form the existing 25%
C) At Least one of the 3 top positions – Chairperson of the board, the MD and CEO in the insurance company shall be held by a resident Indian citizen
1) Only A & C
2) Only A
3) Only B & C

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4) Only C
5) Only A & B
Answer- **4) Only C**
Explanation:
The **Ministry of Finance** notified the Indian Insurance Companies (Foreign Investment) Amendment Rules, 2021 which increases the Foreign Direct Investment (**FDI**) limit in the Insurance sector to **74% from the existing 49%**.
i.FDI in the insurance sector was increased from 26% to 49% in 2015.
ii. According to the new norms, Majority of board members, Key Management Persons (KMP) need to be **resident Indian citizens**, as should be at least **one of the 3 top positions** – Chairperson of the board, the MD and CEO.

104.Who released the 'CCI Journal on Competition Law and Policy' during the foundation day celebration of Competition Commission of India(CCI)?
1) Atul Verma
2) Prakash Javadekar
3) Nirmala Sitharaman
4) Amit Banerjee
5) Anurag Singh Thakur
Answer- **3) Nirmala Sitharaman**
Explanation:
Nirmala Sitharaman, Union Minister of Finance and Corporate Affairs released the **'CCI Journal on Competition Law and Policy'** at the virtual event organised to commemorate the 12th founding day of the Competition Commission of India(CCI).
About CCI:
Director General – Dr. Atul Verma
Headquarters – New Delhi
Established – 20th May 2009

105._____ has announced USD 50 Billion to end COVID-19 Pandemic, by vaccinating at least _____ of the World's population by the end of 2021.
1) World Bank, 60%
2) World Bank, 30%
3) International Monetary Fund, 40%
4) World Bank, 50%
5) International Monetary Fund, 60%
Answer- **3) International Monetary Fund, 40%**
Explanation:
The **International Monetary Fund (IMF)** announced an **USD 50 Billion** proposal to end the COVID-19 Pandemic. It has set a target of **vaccinating at least 40% of the world's population** by the end of **2021** & remaining 60% by the first half of 2022.
i.This would inject USD 9 trillion into the global economy by 2025 due to fast resumption of economic activity.

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About IMF:
Managing Director – Kristalina Georgieva
Headquarters – Washington, D.C., United States
Establishment– 1944

106.In May 2021. RBI approved the transfer of its surplus money of Rs. 99,122 crores to the Central government. The amount is RBI's surplus during which period?
1) March 2020-May 2021
2) April 2020-May 2021
3) April 2020-March 2021
4) July 2020-March 2021
5) June 2021-May 2021
Answer- **4) July 2020-March 2021**
Explanation:
RBI approved the **transfer of Rs 99,122 crore as surplus** to the Central government for the accounting period of **9 months from July 2020 to March 2021** (instead of traditional - April to March period).
i.The current surplus fund transfer is 50% higher than Rs 57,128 crore, the transfer approved in the accounting year 2019-2020.
ii. The board also decided to maintain the **Contingency Risk Buffer** at **5.50%**.

107.To increase India's presence in the global market, SEBI made changes to the SEBI (VCFs) Regulations, 1996.
Identify the points that are correctly related to the updates:
A) Overall limit for investments in Overseas market has been increased to $750 million
B) AIFs/VCFs should report the utilization of the overseas limits within 5 working days
C) AIFs/VCFs will be approved by SEBI for overseas investment for a validity period of 6-months
1) Only A & C
2) Only A
3) Only B & C
4) All A, B & C
5) Only A & B
Answer- **3) Only B & C**
Explanation:
SEBI doubled the overall **limit of the investment in overseas markets** by alternative investment funds(AIFs), and Venture Capital Funds(VCFs) registered under SEBI (VCFs) Regulations, 1996, from $750 million to **$1,500 million** (~Rs10,000 crore).
i.AIFs/VCFs should report the utilization of the overseas limits within **5 working days**
ii. In case of underutilized overseas limit within the **validity period (6-months)**, an AIFs/VCFs should report it to SEBI within 2 working days.
About SEBI:
Chairman – Ajay Tyagi
Establishment – 1992
Headquarters – Mumbai, Maharashtra

108. Which is the 1st small finance bank (SFB) to offer online account opening facility for Non-Resident Indians(NRIs)?

1) Equitas SFB
2) ESAF SFB
3) Janalakshmi SFB
4) Suryoday SFB
5) Ujjivan SFB

Answer- **1) Equitas SFB**

Explanation:

Equitas Small Finance Bank Ltd (ESFBL) became the 1st Small Finance Bank(SFB) to offer the **online account opening** for Non-Resident Indians(**NRIs**). It also became the first SFB to have Virtual Relationship Managers(VRM) based on time zones.

About Equitas Small Finance Bank Ltd(ESFBL):

MD and CEO– Vasudevan Pathangi Narasimhan
Headquarters– Chennai, Tamil Nadu
Tagline – It's Fun Banking

109.Which bank was fined Rs. 1 crore by RBI (in May'21) for non-compliance with MSME sector lending norms?

1) Union Bank of India
2) City Union Ban
3) Tamilnad Mercantile Bank
4) Only 1 & 2
5) Only 2 & 3

Answer- **5) Only 2 & 3**

Explanation:

RBI imposed a monetary penalty of Rs 1 crore on City Union Bank and Tamilnad Mercantile Bank for non-compliance with certain provisions of RBI such as – Lending to Micro, Small & Medium Enterprises (MSME) Sector Directions

110.In which bank did Life Insurance Corporation of India acquire an additional 2% stake in May 2021?

1) Axis Bank
2) Oriental Bank of Commerce
3) Canara Bank
4) Union Bank of India
5) Indian Overseas Bank

Answer- **4) Union Bank of India**

Explanation:

Life Insurance Corporation of India (LIC) acquired around a 2% stake in the state-run Union Bank of India(UBI) and hiked its stake hold in UBI to 5.06%.

111.Which payment bank (in May'21) agreed to provide cash management & collection services to Mahindra Rural Housing Finance Limited (MRHFL)?

1) Paytm Payment Bank
2) Indian Post Payment Bank

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3) Fino Payment Bank
4) Airtel Payment Bank
5) Jio Payment Bank
Answer- **2) Indian Post Payment Bank**
Explanation:
Mahindra Rural Housing Finance Limited (**MRHFL**) and India Post Payments Bank(**IPPB**) made a partnership for a cash management solution. Now, IPPB will be offering cash management & collection services to MRHFL
About IPPB:
Establishment – 2018
Director and Chairman – P. K. Bisoi
Tagline– Aapka Bank, Aapke Dwaar

112.On which Pharmaceutical company did SEBI impose a fine of Rs. 9 lakhs (in May'21) for violating its Code of Conduct?
1) Bharat Biotech
2) Dr. Reddy's Laboratories
3) Cipla
4) Biocon
5) Sun Pharma
Answer- **4) Biocon**
Explanation:
SEBI imposed a total fine of Rs.9 lakh on Biopharmaceutical company **Biocon** and Rs 5 lakh on its former Senior Vice President (R&D) Narendra Chirmule for violation of Code of conduct (CoC).

113.Who was appointed as the CEO of Reserve Bank Innovation Hub (RBIH), in May 2021?
1) Nandan Nilekani
2) Kris Gopalakrishnan
3) Rajesh Bansal
4) Rabi Sankar
5) Revathy Iyer
Answer- **3) Rajesh Bansal**
Explanation:
The Board of Reserve Bank Innovation Hub (RBIH) has appointed Rajesh Bansal as the chief executive officer (CEO) of the RBIH with effect from May 17, 2021.

114.In May 2021, RBI issued guidelines for the amalgamation of District Central Co-operative Banks (DCCBs) with State Co-operative Bank (StCB).
What are the points that are correct with respect to the amalgamation procedure?
A) Section 44A of the Banking Regulation act, 1949 provides effective procedure for voluntary amalgamation of banking entities
B) More than one DCCBs can amalgamate with a StCB
C) The amalgamation procedure will be examined & recommended by NABARD
1) Only B & C
2) Only A & B
3) All A, B & C

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4) Only B
5) Only A & C
Answer- **3) All A, B & C**
Explanation:
RBI notified the guidelines for the **Amalgamation of one or more** District Central Co-operative Banks (**DCCBs**) in a State with State Co-operative Bank (**StCB**) or amalgamation of one DCCB with another to form a two-tier Short-term Co-operative Credit Structure (**STCCS**).
i.Section 44A of the Banking Regulation act, 1949 provides effective procedure for **voluntary amalgamation** of two banking entities.
ii. The amalgamation has to be examined and recommended by National Bank for Agriculture and Rural Development (**NABARD**).

115.Name the foreign payment solution company that became a Certified Partner of 'RuPay SoftPOS' by NPCI, in May 2021?
1) Adyen
2) PayCore
3) Creditcall
4) BitPay
5) PayPoint
Answer- **2) PayCore**
Explanation:
The National Payments Corporation of India (**NPCI**), has included **PayCore**, **Turkey's** global payment solutions company as one of the certified partners for **'RuPay SoftPOS'** to drive cashless payments across the country.
i.NPCI partnered with **SBI Payment**s and launched 'RuPay SoftPoS' to transform NFC enabled **smartphones into POS** terminals for the merchants and retailers.

116.Which financial company partnered (in May'21) with Vivriti Capital to provide capital financing worth Rs. 300 crores to MSMEs?
1) FlexiLoans
2) Digipay
3) Pine Labs
4) MoneyTap
5) Lendingkart
Answer- **1) FlexiLoans**
Explanation:
Fintech lender **FlexiLoans** partnered with financial services company **Vivriti Capital** to provide working capital financing to micro, small and medium enterprises (**MSMEs**) by disbursing loans worth **Rs 300 crore.**

117.Which digital payment entity partnered with Centrum Microcredit to offer unsecured Small Medium Business (SMB) loans to retailers?
1) Ayani
2) Paynearby
3) Stripe
4) Monzo

5) Coinbase

Answer- **2) Paynearby**

Explanation:

PayNearby, branchless banking and digital payments network, tie-up with **Centrum Microcredit,** wholly-owned subsidiary of The Centrum Group to offer **unsecured Small Medium Business (SMB) loans** to its retailers.

118.As per the Ministry of Commerce & Industry, India witnessed a 10% growth in FDI inflow in FY21 compared to FY20.

What are the points that are correctly related to the FDI inflow in India?

A) Computer Software & Hardware sector is responsible for majority of the FDI Inflow

B) Singapore is the top investing country in India

C) Maharashtra is still the top recipient state of FDI for the 4th consecutive year

1) Only B & C

2) Only A & B

3) All A, B & C

4) Only B

5) Only A & C

Answer- **2) Only A & B**

Explanation:

As per the data released by the Ministry of Commerce & Industry, India has attracted the highest ever total Foreign Direct Investment (FDI) inflow of US$81.72 billion during FY21, which is 10% more than FY20(US$74.39 billion).

i.With **44% share** of the total FDI Equity inflow, **Computer Software & Hardware** is the key investment sector in India.

ii.Singapore is the top investing country with 29 percent of total investment, followed by the United States of America (USA) with 23 percent and Mauritius with 9 percent.

iii.Gujarat is the top recipient state for the 4th consecutive year with a 37 percent or US$ 30.23 billion share of the total FDI equity inflows followed by Maharashtra 27 percent and Karnataka 13 percent.

119. India GDP is set to grow in the range of _____ in Q1 of FY22, as per the findings of 'Ecowrap' report released by _____ in May 2021.

1) 7-9%, RBI

2) 12-17%, RBI

3) 10-15%, RBI

4) 7-9%, SBI

5) 10-15%, SBI

Answer- **5) 10-15%, SBI**

Explanation:

State Bank of India's (**SBI**) research report **'Ecowrap'** stated India's Real gross domestic product (GDP) growth for **Q1 FY22** to be in the range of **10-15 percent** as against RBI's forecast of 26.2 percent.

i.Domestic ratings agency **ICRA Limited** forecasted India's GDP growth in the **Q4FY21 at 2 percent**, with a 7.3(-7.3) percent contraction for FY21.

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120.Which bank (in May'21) implemented TransUnion's Onboarding solution for digitising onboarding of its credit card customers?

1) YES Bank
2) State Bank of India
3) ICICI Bank
4) Citibank
5) Axis Bank

Answer- **1) YES Bank**

Explanation:

YES Bank digitises onboarding of credit card customers by implementing TransUnion's Onboarding Solution. This solution will enable YES BANK to onboard its credit card customers seamlessly, efficiently, and quickly.

About YES Bank:

MD & CEO – Prashant Kumar
Tagline– Experience our Expertise
Headquarters – Mumbai, Maharashtra

121. In May 2021, PNB & PNB Housing Finance Ltd made a New Brand Agreement by providing the right to withdraw the PNB brand name from PNB Housing. At present what percent of PNB Housing share is held by PNB?

1) 20%
2) 51%
3) 49%
4) 33%
5) 25%

Answer- **4) 33%**

Explanation:

In May 2021, Punjab National Bank (PNB) and PNB Housing Finance Limited (PNB Housing) made a fresh brand agreement, to provide PNB with the right to withdraw its brand name from PNB Housing. Currently, PNB holds **33%** in PNB Housing.

About PNB Housing Finance Limited:

Establishment – November 11, 1988
Headquarters – New Delhi

122. "Pockets" became the 1st in India in the Digital Wallet sector to link e-Wallet with UPI network. The Digital Wallet "Pockets" belongs to which bank?

1) HDFC Bank
2) City Union Bank
3) Axis Bank
4) State Bank of India
5) ICICI Bank

Answer- **5) ICICI Bank**

Explanation:

In collaboration with the National Payments Corporation of India (NPCI), ICICI Bank has launched a facility for linking a Unified Payments Interface (UPI) ID with its digital wallet, **'Pockets'** and became the 1st one in the industry to **link e-wallet with UPI** Network.

123. What was the target set by HDFC Bank (in May'21) for raising capital by issuing bonds?
1) Rs. 1500 crore
2) Rs. 7000 crore
3) Rs. 15000 crore
4) Rs. 9300 crore
5) Rs. 5600 crore
Answer- **2) Rs. 7000 crore**
Explanation:
HDFC Bank has announced that it will raise up to **Rs 7,000 crore** by issuing bonds on private placement basis, in the form of Non-Convertible Debentures (NCDs).
About HDFC Bank:
MD & CEO – Sashidhar Jagdishan
Headquarters– Mumbai, Maharashtra
Tagline– We understand your world

124.Who was appointed (in May'21) as the Chairperson of the 12-member expert committee on investment funds of International Financial Services Centres(IFSC)?
1) Nilesh Shah
2) Sandeep Bakhshi
3) Injeti Srinivas
4) Amitabh Chaudhry
5) Aditya Puri
Answer- **1) Nilesh Shah**
Explanation:
The International Financial Services Centres Authority (IFSCA), the regulator of GIFT- City (Gujarat International Finance Tec-City), constituted a 12-member expert committee on investment funds(IF) under the Chairmanship of **Nilesh Shah**, to recommend a roadmap to promote IF at International Financial Services Centres(IFSC).

125.Which organisation acquired 3.08% shares of HDFC Ltd in May 2021?
1) Hindustan Construction Company Ltd
2) Tata Motors Ltd
3) Adani Group
4) Reliance Infrastructure Ltd
5) L&T Infrastructure Development Projects Ltd
Answer- **4) Reliance Infrastructure Ltd**
Explanation:
Housing Development Finance Corporation (**HDFC**) Ltd, sold further 81,05,677 shares equivalent to 3.08 percent share capital of Reliance Infrastructure Limited (**RInfra**) for worth over Rs 43.91 crore.

126.Which organisation announced (in May'21) to include risks related to Climate Change, inequality & demography in economic assessments?
1) United Nations Development Programme
2) World Bank
3) Reserve Bank of India
4) International Monetary Fund

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5) Organisation for Economic Co-operation and Development

Answer- **4) International Monetary Fund**

Explanation:

In May 2021, the International Monetary Fund(**IMF**), plans to update the way it conducts economic assessments to report the risks related to **climate change, inequality and demographics**, as well as evolving digital technologies.

127.In May 2021, the Reserve Bank of India (RBI) released its Annual Report for 2020-21 Identify the points that are correct with respect to the data presented in RBI's Annual report:

A) RBI's gains from foreign exchange transactions rose by 69%

B) In 2020-21, Bank Frauds valued more than Rs 1 lakh has been decreased by 25% compared to 2019-20

C) With over Rs 1.41 lakh crore, GST collection in January 2021 marked the highest level on record

1) Only B & C

2) Only A

3) Only C

4) Only A & B

5) Only A & C

Answer- **4) Only A & B**

Explanation:

In May 2021, the Reserve Bank of India (**RBI**) released its **Annual Report for 2020-21**

i.RBI's gains from foreign exchange transactions rose by **69%**

ii. In 2020-21, Bank Fraud in terms of value (Rs 1 lakh and more) decreased by **25%**

iii. The global economy is projected to grow at **6%** in 2021 in the IMF's World Economic Outlook

iv.RBI poses the risk of a bubble, due to a sharp rise in the domestic equity markets despite an estimated **8% contraction** in GDP in 2020-21.

v.With over **Rs 1.41 lakh crore**, **GST collection in April 2021** marked the highest level on record.

128.Name the company that launched a 1st of its kind Crypto-based lending platform in India under its cryptocurrency exchange.

1) Unocoin

2) Coinbase

3) Gemini

4) Bitfinex

5) ZebPay

Answer- **5) ZebPay**

Explanation:

In May 2021, **ZebPay** launched **India's 1st lending platform** under the **cryptocurrency exchange** for the investors to invest their coins and earn returns (interest). Currently the exchange will support the bitcoin (BTC), ether (ETH), tether (USDT) and dai (DAI) tokens.

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129.In May 2021, One of India's large PSU Banks, Canara Bank launched 3 new loan schemes as a part of COVID-19 assistance.
Identify the loan scheme that is incorrectly specified in relation to its benefits:
A) Canara Chikitsa healthcare credit facility - Loans up to Rs 50 crore for MSMEs affected by COVID-19
B) Canara Jeevanrekha healthcare business loan - Loan up to Rs 2 crore for Medical equipment manufacturers
C) Canara Suraksha personal loan scheme - Loans from Rs 25,000 – Rs 5 lakh as immediate financial assistance for COVID-19 treatment
1) Only A
2) Only B & C
3) Only C
4) Only A & B
5) Only B
Answer- **1) Only A**
Explanation:
Canara Bank launched 3 categories of loan schemes, as a part of COVID-19 assistance to offer healthcare credit, business and personal loan to individuals.
i.Canara Chikitsa healthcare credit facility - Loans from Rs 10 lakh to Rs 50 crore to registered hospitals, nursing homes, to improve healthcare infrastructure
ii.Canara Jeevanrekha healthcare business loan - Loan up to Rs 2 crore for manufacture and supply of healthcare products viz, medical oxygen and oxygen cylinders
iii.Canara Suraksha personal loan scheme - Loans from Rs 25,000 – Rs 5 lakh as immediate financial assistance for COVID-19 treatment.

130.Which bank recently (in May'21) allocated 203 crore Preferential Shares to the Government of India?
1) UCO Bank
2) Union Bank of India
3) Punjab National Bank
4) YES Bank
5) Axis Bank
Answer- **1) UCO Bank**
Explanation:
UCO Bank allotted 203 crore preferential shares (PS) (equity shares of Rs 10 each) to the Government of India at an issue price of Rs 12.76 per share against a capital contribution of Rs 2,600 crore received by the Bank on March 31, 2021.
i.PS provides the shareholders with the special right to claim dividends anytime during the company lifetime.
About UCO Bank:
Establishment – 1943
Headquarters – Kolkata, West Bengal
MD & CEO – Atul Kumar Goel

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131.On Which Bank, RBI imposed a penalty of Rs. 10 crores (in May'21) for irregularities in the bank auto loan portfolio?

1) ICICI Bank
2) Axis Bank
3) Kotak Mahindra Bank
4) HDFC Bank
5) Citibank

Answer- **4) HDFC Bank**

Explanation:

RBI imposed a monetary **penalty of Rs 10 crore on HDFC Bank** Limited, after finding irregularities with the HDFC bank's auto loan portfolio. RBI found contravention of provisions of section 6(2) and section 8 of the Banking Regulation Act, 1949.

132._____ will head the 7-member Group of States' Ministers to evaluate the GST valuation on Casinos, race courses, and online gaming companies, which are currently at the _____ Tax slab in-case of 'No betting involved'.

1) Manish Sisodia; 18%
2) Nitin Patel; 28%
3) Ajit Pawar; 28%
4) Nitin Patel; 18%
5) Ajit Pawar; 18%

Answer- **4) Nitin Patel; 18%**

Explanation:

The Finance Ministry has set up a 7-member Group of States' Ministers (GoM) to better understand, examine, and resolve the uncertainty over the valuation of services by casinos, race courses, and online gaming companies for levying Goods and Services Tax (GST).

i.The Committee will be Convened by Deputy Chief Minister of Gujarat, **Nitin Patel**.

ii. Currently, services of casinos, horse racing and online gaming which are not involved in betting attract **18%** GST and online games **involving betting** or gambling attract **28%** GST.

STATIC BANKING QUESTIONS

1.When was Employees' Provident Fund Organisation (EPFO) established?

1) 1991
2) 1949
3) 1952
4) 1969
5) 1975

Answer- **3) 1952**

Explanation:

Employees' Provident Fund Organisation (EPFO) was established in 1952 under the Ministry of Labour & Employment.

2.When was International Finance Corporation (IFC) established?

1) 1943
2) 1945

3) 1963
4) 1989
5) 1956
Answer- **5) 1956**
Explanation:
About International Finance Corporation (IFC):
IFC is a member of the World Bank Group.
Establishment – 1956
MD, Executive Vice President – Makhtar Diop
Headquarters – Washington D.C., USA

3.Where is the headquarters of Canara HSBC Oriental Bank of Commerce Life Insurance?
1) Gurugram, Haryana
2) Pune, Maharashtra
3) Vadodara, Gujarat
4) Noida, Uttar Pradesh
5) Hyderabad, Telangana
Answer- **1) Gurugram, Haryana**
Explanation:
About Canara HSBC Oriental Bank of Commerce Life Insurance:
It is a joint venture between Canara Bank (51%), HSBC Insurance (Asia Pacific) Holdings Limited (26%) and Punjab National Bank (23%).
Establishment – 2008
Headquarters – Gurugram, Haryana
MD and CEO – Anuj Mathur

4.Match the following Banks with their Taglines:

i. Federal Bank	**a. Let's Make Money Simple**
ii. Kotak Mahindra Bank	**b. Your Perfect Banking Partner**
iii. Indian Overseas Bank	**c. Good People to Grow With**
iv. HDFC Bank	**d. We Understand Your World**

1) i-d, ii-b, iii-a, iv-c
2) i-c, ii-b, iii-d, iv-a
3) i-b, ii-a, iii-c, iv-d
4) i-c, ii-a, iii-d, iv-b
5) i-d, ii-b, iii-c, iv-a
Answer- **3) i-b, ii-a, iii-c, iv-d**
Explanation:

Banks	Taglines
Federal Bank	Your Perfect Banking Partner
Kotak Mahindra Bank	Let's Make Money Simple
Indian Overseas Bank	Good People to Grow With
HDFC Bank	We Understand Your World

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5.Which of the following Regional Rural Banks (RRB) is sponsored by Indian Bank?
1) Uttarakhand Gramin Bank
2) Nagaland Rural Bank
3) Jharkhand Rajya Gramin Bank
4) Andhra Pradesh Grameena Vikas Bank
5) Tamil Nadu Grama Bank
Answer- **5) Tamil Nadu Grama Bank**
Explanation:
Tamil Nadu Grama Bank is Sponsored by Indian Bank.
All other banks mentioned in options are sponsored by State Bank of India.

6.When was the State Bank of India nationalised?
1) 1935
2) 1949
3) 1960
4) 1969
5) 1955
Answer- **5) 1955**
Explanation:
On 1 July 1955, Govt. of India Nationalised the Imperial Bank of India and named it as the State Bank of India.

7.When was the Industrial Development Bank of India (IDBI) established?
1) 1964
2) 1991
3) 1987
4) 1957
5) 1975
Answer- **1) 1964**
Explanation:
Industrial Development Bank of India (IDBI) was established in 1964.

8.What is the Tagline of Kotak Mahindra Bank?
1) Together We Can
2) Prosperity for All
3) We Understand Your World
4) Let's Make Money Simple
5) Smart Way to Bank
Answer- **4) Let's Make Money Simple**
Explanation:
About Kotak Mahindra Bank:
It is India's 1st non-banking finance company which is converted into a bank.
Establishment – 1985
Headquarters -Mumbai, Maharashtra
Tagline – Let's Make Money Simple
MD & CEO – Uday Kotak

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9. ITRS is an acronym in relation with Banking terminologies. What does 'T' stand for in ITRS?
1) Treasury
2) Transaction
3) Temporary
4) Trading
5) Taxation
Answer- **2) Transaction**
Explanation:
ITRS stands for "**International Transaction Reporting System**". ITRS provides timely comprehensive Balance of Payments (BoP) statistics of individual cash transactions passing through domestic & foreign banks.

10. ITRS is an acronym in relation with Banking terminologies. What does 'T' stand for in ITRS?
1) Treasury
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Explanation:
ITRS stands for "**International Transaction Reporting System**". ITRS provides timely comprehensive Balance of Payments (BoP) statistics of individual cash transactions passing through domestic & foreign banks.

11._____ is a measure that examines the weighted average of prices of a basket of consumer goods and services.
1) Domestic Price Index
2) Wholesale Price Index
3) Purchasing Power Parity
4) Harmonised Index of Consumer Prices
5) Consumer Price Index
Answer- **5) Consumer Price Index**
Explanation:
Consumer Price Index (CPI) is a measure that examines the weighted average of prices of a basket of consumer goods and services, such as transportation, food, and medical care.

12. RBI announced G-SAP 1.0 in April 2021. What does 'S' stand for in G-SAP?
1) Savings
2) Secured
3) Satisfactory
4) Small
5) Security
Answer- **5) Security**
Explanation:
The RBI, for the year 2021-22, has announced a purchase of Rs. 25,000 crores for Government Security (G-sec) Acquisition Programme or G-SAP 1.0 as a part of RBIs Open Market Operations.

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13. In relation with FCNR bank accounts. What does 'C' stand for in FCNR?

1) Calculated
2) Credit
3) Capital
4) Currency
5) Capacity

Answer- **4) Currency**

Explanation:

FCNR stands for Foreign Currency Non Resident Bank Accounts.
FCNR is a kind of fixed deposit account opened for depositing income earned overseas and the account is held in foreign currency.

14. Match the following International Organisations with their Heads:

i. World Economic Forum	**a. Klaus Schwab**
ii. World Bank	**b. Ngozi Okonjo-Iweala**
iii. International Monetary Fund	**c. Kristalina Georgieva**
iv. World Trade Organization	**d. David Malpass**

1) i-a, ii-d, iii-c, iv-b
2) i-b, ii-a, iii-c, iv-d
3) i-d, ii-a, iii-c, iv-b
4) i-a, ii-b, iii-c, iv-d
5) i-d, ii-b, iii-c, iv-a

Answer- **1) i-a, ii-d, iii-c, iv-b**

Explanation:

Organisation	Head
World Economic Forum	Klaus Schwab
World Bank	David Malpass
International Monetary Fund	Kristalina Georgieva
World Trade Organization	Ngozi Okonjo-Iweala

15. Where is the headquarters of European Investment Bank (EIB)?

1) Brussels, Belgium
2) The Hague, Netherlands
3) Lisbon, Portugal
4) Prague, Czech Republic
5) Kirchberg, Luxembourg

Answer- **5) Kirchberg, Luxembourg**

Explanation:

About European Investment Bank (EIB):

President – Werner Hoyer
Headquarters – Kirchberg, Luxembourg

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16.NFRA oversees the accounting & auditing standards of companies in India. What does NFRA stand for?

1) National Facility for Reporting & Auditing
2) National Funds Reporting & Auditing
3) Net Funds Reporting Authority
4) National Financial Reporting Authority
5) Net Funds Reporting & Auditing

Answer- **4) National Financial Reporting Authority**

Explanation:

National Financial Reporting Authority (NFRA) is the authority mandated to oversee compliance with accounting and auditing standards by certain classes of companies, described as Public Interest Entities (PIEs).

17. What is the full-form of "QR" in QR Code?

1) Quantum Regulated
2) Quantum Response
3) Qualified Response
4) Quick Regulated
5) Quick Response

Answer- **5) Quick Response**

Explanation:

QR Code or Quick Response Code is a type of 2-Dimensional Matrix Code, which contains encoded information that can be decoded using optical image scanning.

18.What is the Maximum compensation amount that a Banking Ombudsman can award?

1) Rs. 20 lakhs
2) Rs. 10 lakhs
3) Rs. 2 crores
4) Rs. 1 crore
5) Rs. 50 lakhs

Answer- **1) Rs. 20 lakhs**

Explanation:

A Banking Ombudsman can award a maximum of **Rs. 20 lakhs** as compensation to the complaint by a bank.

Whereas, a maximum compensation of **Rs. 1 lakh** can be awarded in case of claims for Mental agony & harassment.

19.What is the tagline of Punjab National Bank?

1) The Name You Can Bank Upon
2) Together We Can
3) We Understand Your World
4) Relationship Beyond Banking
5) Banking For All

Answer- **1) The Name You Can Bank Upon**

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Explanation:
About Punjab National Bank (PNB):
Establishment- 1894
MD & CEO- S.S. Mallikarjuna Rao
Headquarters- New Delhi
Tagline- "The Name You Can Bank Upon"

20.Where is Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL) located?
1) Nashik, Maharashtra
2) Bangalore, Karnataka
3) Alipore, Kolkata
4) Hyderabad, Telangana
5) Dewas, Madhya Pradesh
Answer- **2) Bangalore, Karnataka**
Explanation:
Bharatiya Reserve Bank Note Mudran Private Limited (**BRBNMPL**) is a wholly owned subsidiary of RBI.
Established - 1995
Headquarters - Bangalore, Karnataka

21.Who is the present (in May'21) MD & CEO of Indian Overseas Bank?
1) Padmaja Chunduru
2) S. S. Mallikarjuna Rao
3) Partha Pratim Sengupta
4) Lingam Venkat Prabhakar
5) Sashidhar Jagdishan
Answer- **3) Partha Pratim Sengupta**
Explanation:
About Indian Overseas Bank (IOB):
Establishment – 1937
Headquarters – Chennai, Tamil Nadu
Tagline – Good people to grow with
MD & CEO - Partha Pratim Sengupta

22. Under which section of the Banking Regulation Act of 1949, RBI is provided with powers for suspension of business by a banking company and to prepare a scheme of amalgamation?
1) Section 56
2) Section 45
3) Section 49A
4) Section 52
5) Section 39A
Answer- **2) Section 45**
Explanation:
Section 45 of the Banking Regulation Act, 1949
Power of Reserve Bank to apply to the Central Government for suspension of business by a banking company and to prepare a scheme of reconstruction or amalgamation.

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23. Which is India's 1st Payment Bank?
1) Jio Payments Bank
2) Airtel Payment Bank
3) Paytm Payment Bank
4) Fino Payment Bank
5) Indian Post Payment Bank
Answer- **2) Airtel Payment Bank**
Explanation:
About Airtel Payments Bank:
It was India's 1st payment bank.
Establishment – January 2017
Headquarters – New Delhi
MD & CEO – Anubrata Biswas

24.What is the maximum time duration given for a resolution applicant to submit the resolution plan, as per the Insolvency & Bankruptcy Code, 2016?
1) 240 days
2) 90 days
3) 45 days
4) 120 days
5) 150 days
Answer- **5) 150 days**
Explanation:
As per the Insolvency & Bankruptcy Code, 2016, the resolution applicant is required to **submit a resolution plan within 150 days.**

25.Which of the following subsidiaries of RBI was set-up with a sole motive to improve the IT & Cybersecurity infrastructure of Indian Banking System?
1) Deposit Insurance and Credit Guarantee Corporation of India (DICGC)
2) National Payments Corporation of India (NPCI)
3) Reserve Bank Information Technology Private Limited (ReBIT)
4) Indian Financial Technology and Allied Services (IFTAS)
5) Bharatiya Reserve Bank Note Mudran Private Limited (BRBNMPL)
Answer- **3) Reserve Bank Information Technology Private Limited (ReBIT)**
Explanation:
Reserve Bank Information Technology Private Limited (ReBIT), has been set up by the Reserve Bank of India to serve its IT and cybersecurity needs and to improve the cyber resilience of the Indian banking industry.

26.Match the following Committees and their heads:

i. Review committee on ARCs	**a. N. K. Singh**
ii. Draft National Education Policy 2020	**b. K Kasturirangan**
iii. Expert Committee on Urban Co-op Banks	**c. N. S. Vishwanathan**
iv. FRBM review committee	**d. Sudarshan Sen**

1) i-a, ii-d, iii-c, iv-b
2) i-b, ii-a, iii-c, iv-d

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3) i-d, ii-a, iii-c, iv-b
4) i-a, ii-b, iii-c, iv-d
5) i-d, ii-b, iii-c, iv-a
Answer- **5) i-d, ii-b, iii-c, iv-a**
Explanation:

Purpose of Committee	Headed by
Review the working of Asset Reconstruction Companies (ARCs)	Sudarshan Sen
Committee for the Draft National Education Policy 2020	K Kasturirangan
Expert Committee on Urban Cooperative Banks (UCBs)	N. S. Vishwanathan
Fiscal Responsibility and Budget Management (FRBM) review committee	N. K. Singh

27. Any Non-Banking Financial Company can be converted into a Small Finance Bank with a minimum paid up capital of Rs. 100 crores, however they need to increase their minimum net worth to _____ within 5-years.
1) Rs. 200 crores
2) Rs. 500 crores
3) Rs. 150 crores
4) Rs. 250 crores
5) Rs. 750 crores
Answer- **1) Rs. 200 crores**
Explanation:
Any Non-Banking Financial Company can be converted into a Small Finance Bank with a minimum paid up capital of Rs. 100 crores, however they need to increase their minimum net worth to Rs. 200 crores within 5-years.

28.Which of the following is not a subsidiary of RBI?
1) Deposit Insurance and Credit Guarantee Corporation of India (DICGC)
2) National Bank for Agriculture and Rural Development (NABARD)
3) Reserve Bank Information Technology Private Limited (ReBIT)
4) Indian Financial Technology and Allied Services (IFTAS)
5) National Payments Corporation of India (NPCI)
Answer- **2) National Bank for Agriculture and Rural Development (NABARD)**
Explanation:
NABARD is an apex regulatory body for overall regulation and licensing of regional rural banks and apex cooperative banks in India. Owned by the **Ministry of Finance**, Government of India.
i.All others are Subsidiaries of RBI.

29.Match the following Mobile Banking applications with their respective bank:

i. M-Connect Plus	**a. SBI**
ii. YONO	**b. HDFC Bank**
iii. iMobile	**c. ICICI Bank**
iv. Payzapp	**d. Bank of Baroda**

1) i-d, ii-b, iii-a, iv-c
2) i-b, ii-c, iii-a, iv-d
3) i-a, ii-d, iii-c, iv-b

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4) i-d, ii-a, iii-c, iv-b
5) i-b, ii-a, iii-c, iv-d
Answer- **4) i-d, ii-a, iii-c, iv-b**
Explanation:

Mobile App	Bank
M-Connect Plus	Bank of Baroda
YONO	SBI
iMobile	ICICI Bank
Payzapp	HDFC Bank

30. Customer details are shared by banks to third party financial service providers through Banking API. What does "API" stand for?
1) Accumulated Personal Information
2) Assembled Programming Interface
3) Application Package Information
4) Accumulated Programming Information
5) Application Programming Interface
Answer- **5) Application Programming Interface**
Explanation:
A banking **API (Application Programming Interface)** is an interface through which a financial institution provides data about customers, accounts and transactions to third party financial service providers.

31.Match the following Non-Banking Financial Institutions (NBFC) with the headquarters location:

i. Tata Capital	**a. Gurgaon, Haryana**
ii. Muthoot Finance	**b. Mumbai, Maharashtra**
iii. India Infoline	**c. Kochi, Kerala**
iv. Bajaj Finserv	**d. Pune, Maharashtra**

1) i-d, ii-b, iii-a, iv-c
2) i-b, ii-c, iii-a, iv-d
3) i-a, ii-d, iii-c, iv-b
4) i-d, ii-a, iii-c, iv-b
5) i-b, ii-a, iii-c, iv-d
Answer- **2) i-b, ii-c, iii-a, iv-d**
Explanation:

NBFC	Headquarters
Tata Capital	Mumbai, Maharashtra
Muthoot Finance	Kochi, Kerala
India Infoline	Gurgaon, Haryana
Bajaj Finserv	Pune, Maharashtra

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32.What is India's rank in the Global Energy Transition Index 2021 released by the World Economic Forum?
1) 17th
2) 71st
3) 87th
4) 49th
5) 32nd
Answer- **3) 87th**
Explanation:
India was ranked **87th** in the **Global Energy Transition Index (ETI) 2021** released by **World Economic Forum (WEF)** in the 'Fostering Effective Energy Transition 2021' report.

33. SWIFT is a common terminology in Banking. What does 'T' represent in SWIFT?
1) Technology
2) Telecommunication
3) Tribunal
4) Tariff
5) Transaction
Answer- **2) Telecommunication**
Explanation:
Society for Worldwide Interbank Financial Telecommunication (SWIFT) is an international network that enables financial institutions across the globe to send and receive information about financial transactions in a secure, standardized and reliable environment.

34.What does "FIRC" stands for with respect to RBI?
1) Financial Investment Risk Clearance
2) Foreign Institutional Registration Certificate
3) Financial Institutions Risk Controller
4) Foreign Inward Remittance Certificate
5) Free International Remittance Clearance
Answer- **4) Foreign Inward Remittance Certificate**
Explanation:
FIRC (Foreign Inward Remittance Certificate) refers to a document which acts as a testimonial for all the inward remittances entering to India from abroad.
Guidelines for FIRC are issued by **RBI and FEDAI** (Foreign Exchange Dealers Association in India).

35.How many digits are there in an IFSC code?
1) 5
2) 6
3) 11
4) 13
5) 9
Answer- **3) 11**
Explanation:
IFSC code used for electronic payments consists of **11-digits**. Of the 11-digits, the first 4 digits represent the bank and the last 6 characters represent the branch. The 5th character is zero.

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36.When was the National Payments Corporation of India (NPCI) established?
1) 2015
2) 2005
3) 2018
4) 2010
5) 2008
Answer- **5) 2008**
Explanation:
About National Payments Corporation of India (NPCI):
Establishment – 2008
MD & CEO - Dilip Asbe
Headquarters – Mumbai, Maharashtra

37.Which bank functions with the tagline "Hum hai na, Khayal Apka"?
1) HDFC Bank
2) City Union Bank
3) Axis Bank
4) UCO Bank
5) ICICI Bank
Answer- **5) ICICI Bank**
Explanation:
About ICICI Bank:
Tagline – Hum hai na, Khayal Apka
Establishment – 1995
Headquarters – Mumbai, Maharashtra
MD& CEO – Sandeep Bakhshi

38.When was Punjab National Bank established?
1) 1955
2) 1935
3) 1949
4) 1894
5) 1889
Answer- **4) 1894**
Explanation:
About Punjab National Bank(PNB):
Establishment – May 19, 1894 (Commenced Operations – April 12, 1895)
Headquarters – New Delhi
MD & CEO – CH. S. S. Mallikarjuna Rao
Tagline – The name you can bank upon

39. India rank's _____ in the Global Gender Gap Index 2021, released by _____.
1) 112nd, International Monetary Fund
2) 140th, World Economic Forum
3) 112nd, World Bank
4) 112nd, World Economic Forum

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5) 140th, International Monetary Fund
Answer- **2) 140th, World Economic Forum**
Explanation:
India was ranked 140th among 156 countries in the World Economic Forum's Global Gender Gap Report 2021.

40. Under which section of the Banking Regulation Act, 1949, the provisions for amalgamation of Banking companies is provided?
1) Section 22(1)
2) Section 49A
3) Section 36AE
4) Section 44A
5) Section 23
Answer- **4) Section 44A**
Explanation:
Section 44A of the Banking Regulation Act, 1949, provides provisions for **amalgamation of Banking companies**.

41.As of May 2021, how many Small Savings Schemes are provided by the Government of India?
1) 6
2) 12
3) 15
4) 9
5) 3
Answer- **2) 12**
Explanation:
There are **12 different Small Savings Schemes** provided by the Government of India, as of May 2021. They are,
National Savings Certificate (NSC), National Savings Scheme (NSS), Public Provident Fund (PPF), Post Office Savings Scheme, Senior Citizens Savings Scheme (SCSS), Kisan Vikas Patra (KVP), Sukanya Samriddhi Yojana (SSY), Atal Pension Yojana, Employees Provident Fund (EPF), National Pension System (NPS), Voluntary Provident Fund (VPF) & Pradhan Mantri Jan Dhan Yojana.

42.What does 'U' stand for in the "UMANG" app launched by the Ministry of Electronics and Information Technology in 2017?
1) Urban
2) Unnat
3) Unified
4) Ujjwala
5) Unique
Answer- **3) Unified**
Explanation:
UMANG (Unified Mobile Application for New Age Governance) app was developed by the Ministry of Electronics and Information Technology (**MeitY**) in **2017**. It acts as a single e-governance portal, to access all Central and State government schemes in India.

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43.In April 2020, Syndicate bank was amalgamated into which bank?

1) Indian Bank
2) Punjab National Bank
3) Union Bank
4) Canara Bank
5) Indian Overseas Bank

Answer- **4) Canara Bank**

Explanation:

Syndicate Bank was amalgamated into Canara Bank on April 2020

GA Questions Asked in Exams

- GA Questions asked in RRB PO Mains Exam 2021 – Jan 30
- GA Questions asked in SBI PO Mains 2021 – Jan 29
- SBI Clerk Mains 2020
- IBPS RRB Officer Scale II GBO Exam 2020
- RBI Assistant Mains 2020
- GA Questions Asked in IBPS Clerk Mains Exam 2020 – 90% Questions Covered by AC
- GA Questions asked in SBI PO 2019 Main Exam
- GA Questions asked in SBI Clerk Main Exam 2019
- GA Questions asked in IBPS PO Main Exam 2019
- GA Questions asked in RBI Grade B Prelims Exam 2019
- GA Questions asked in IBPS RRB Clerk Mains Exam 2019
- GA Questions asked in IBPS RRB PO Mains Exam 2019

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